

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

**FORM S-1  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**Kronos Bio, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**2834**  
(Primary Standard Industrial  
Classification Code Number)

**82-1895605**  
(I.R.S. Employer  
Identification Number)

**1300 So. El Camino Real, Suite 300  
San Mateo, California 94402  
(650) 781-5200**

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

**Norbert Bischofberger, Ph.D.**  
**President and Chief Executive Officer**  
**Kronos Bio, Inc.**  
**1300 So. El Camino Real, Suite 300**  
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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, a smaller reporting company or an emerging growth 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	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Emerging growth company	<input checked="" type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 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 <sup>(1)</sup>	Amount of registration fee <sup>(2)</sup>
Common Stock, \$0.001 par value per share	\$100,000,000	\$12,980

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended. Includes the aggregate offering price of additional shares of common stock that the underwriters have the option to purchase.

(2) Calculated pursuant to Rule 457(o) based on an estimate of the proposed maximum aggregate offering price.

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, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this 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 prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, Dated September 18, 2020

## Shares



### Common Stock

This is the initial public offering of shares of common stock of Kronos Bio, Inc. We are offering \_\_\_\_\_ shares of our common stock.

Prior to this offering, there has been no public market for our common stock. We currently expect the initial public offering price will be between \$ \_\_\_\_\_ and \$ \_\_\_\_\_ per share of our common stock.

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

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

See the section titled "[Risk Factors](#)" beginning on page 13 to read about factors you should consider before deciding to invest in shares of our common stock.

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

	Per Share	Total
Initial public offering price	\$ _____	\$ _____
Underwriting discounts and commissions <sup>(1)</sup>	\$ _____	\$ _____
Proceeds, before expenses, to Kronos Bio, Inc.	\$ _____	\$ _____

(1) See the section titled "Underwriting" for a description of the compensation payable to the underwriters.

We have granted the underwriters an option for a period of 30 days to purchase up to an additional \_\_\_\_\_ shares of our common stock at the initial public offering price, less the underwriting discounts and commissions.

The underwriters expect to deliver the shares against payment in New York, New York on \_\_\_\_\_, 2020.

**Goldman Sachs & Co. LLC**

**Jefferies**

**Cowen**

**Piper Sandler**

Prospectus dated \_\_\_\_\_, 2020

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Neither we nor the underwriters have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus or in any applicable free writing prospectus is current only as of its date, regardless of its time of delivery or any sale of shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

For investors outside the United States: Neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus or any free writing prospectus we may provide to you in connection with this offering in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus and any such free writing prospectus outside the United States.

## PROSPECTUS SUMMARY

*This summary highlights selected information contained in greater detail elsewhere in this prospectus. This summary is not complete and does not contain all of the information you should consider in making your investment decision. Before investing in our common stock, you should carefully read this entire prospectus. You should carefully consider, among other things, the sections of this prospectus titled "Risk Factors," "Special Note Regarding Forward-Looking Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the related notes included elsewhere in this prospectus. Unless the context otherwise requires, the terms "Kronos Bio," "Kronos," "we," "us," "our" and similar references in this prospectus refer to Kronos Bio, Inc.*

### Overview

We are a clinical-stage biopharmaceutical company dedicated to the discovery and development of novel cancer therapeutics designed to transform patient outcomes through a precision medicine strategy by targeting dysregulated transcription. Our proprietary product engine focuses on dysregulated transcription factors and the transcriptional regulatory networks (TRNs) that drive their oncogenic activity. Our lead product candidate, entospletinib (ENTO), is an orally administered, selective spleen tyrosine kinase (SYK) inhibitor that has been tested in 148 acute myeloid leukemia (AML) patients. Based on clinical results in a biomarker-defined subset of patients and subject to discussions with regulatory agencies that we intend to have in the first half of 2021, we plan to initiate a registrational Phase 2/3 clinical trial in 2021 in newly-diagnosed AML patients with NPM1 mutations, with an anticipated data readout in 2023. We are also planning to initiate a Phase 1/2 clinical trial in patients with relapsed or refractory FLT3 mutated AML in 2021. In addition, we are developing KB-0742, which is designed to be an orally bioavailable inhibitor of cyclin dependent kinase 9 (CDK9) with a differentiated selectivity profile, for the treatment of MYC-amplified solid tumors. Subject to clearance of an Investigational New Drug application (IND) for KB-0742, which we plan to submit in the fourth quarter of 2020, we plan to initiate a Phase 1/2 clinical trial in patients with advanced solid tumors in 2021. In addition, we are leveraging our product engine to drive multiple oncology discovery programs targeting dysregulated transcription factors and their associated TRNs.

Addressing the complexity of oncogenic TRNs requires a sophisticated and holistic approach to targeting cancer biology. TRNs encompass hundreds of proteins that function in a coordinated fashion to orchestrate specific gene expression programs that control development and function of healthy cells. Dysregulated TRNs resulting from aberrant transcription factor expression or activity are frequently responsible for reprogramming healthy cells into cancerous tumor cells. We map these oncogenic TRNs and identify the critical nodes and corresponding gene expression signatures that drive cancer. We believe that these critical nodes create selective vulnerabilities, or dependencies, within the tumor, and present attractive targets for therapeutic intervention.

We pursue these high-value targets using our product engine, applying our computational and experimental biology expertise, combined with our proprietary high throughput screening platform and differentiated translational capabilities to systematically target dysregulated transcription factors and their associated TRNs. These collective capabilities allow us to pursue novel product candidates targeting historically challenging targets that have previously been considered undruggable, as well as classically tractable targets within the specific context of an oncogenic TRN.

We have developed a robust clinical and preclinical pipeline through a combination of internal discovery efforts and focused asset acquisition. The following chart summarizes the current stages of our development programs, including our lead product candidate, ENTO, as well as KB-0742, and our next anticipated milestones.



Product Candidate	Discovery	IND-Enabling Studies	Phase 1 Trial	Phase 2 Trial	Phase 3 Trial	Next Anticipated Milestones
Entospletinib (SYK Inhibitor)	HOXA9/MEIS1 - AML					<ul style="list-style-type: none"> <li>H1 2021: End of Phase 2 meeting</li> <li>2021: Initiate NPM1 mt AML registrational Phase 2/3 clinical trial pending regulatory feedback from planned meetings</li> <li>2023: Topline data readout of NPM1 mt AML registrational trial</li> </ul>
	FLT3 mt - AML					<ul style="list-style-type: none"> <li>2021: Initiate FLT3 mt AML Phase 1/2 clinical trial</li> <li>2022: Topline data readout of FLT3 mt AML Phase 1/2 clinical trial</li> </ul>
KB-0742 (CDK9 Inhibitor)	MYC - Amplified Solid Tumors					<ul style="list-style-type: none"> <li>Q4 2020: IND submission</li> <li>2021: Initiate solid tumor Phase 1/2 clinical trial</li> <li>2021: Topline data readout of Phase 1/2 clinical trial dose escalation cohorts</li> <li>2022: Topline data readout of Phase 1/2 clinical trial expansion cohorts</li> </ul>

mt: mutant

In addition, we have discovery efforts focused on four cancer types where dysregulated transcription plays a central role: hematologic malignancies, prostate cancer, MYC-driven cancers, and small cell/neuroendocrine cancers. Our active discovery programs are focused on the specific TRNs noted in the following chart. We anticipate submitting an IND for a drug candidate arising from one of these programs in 2022.

TRN	Indication	Discovery	IND-Enabling Studies	Phase 1 Trial	Phase 2 Trial	Phase 3 Trial	Next Anticipated Milestone
MYB	AML						First IND filing in 2022 from among these programs
ARV7	Prostate Cancer						
IRF4	Multiple Myeloma						
ASCL1	Small Cell / Neuroendocrine Cancers						

### SYK Program: ENTO and LANRA

Our lead product candidate, ENTO, is a selective inhibitor targeting SYK, a critical node in a dysregulated TRN within AML defined by persistent high expression of the transcription factors HOXA9 and MEIS1 (HOX/MEIS). SYK is a non-receptor tyrosine kinase and is an important mediator of immunoreceptor signaling in hematopoietic cells with a clearly established role in both malignant and non-malignant hematologic disease.

SYK is a critical dependency in biomarker-defined subsets of AML patients characterized by persistent high HOX/MEIS expression. Multiple AML driver mutations, including NPM1, MLL (KMT2A) gene rearrangements (MLL-r) and DNMT3A, have been associated with elevation of HOX/MEIS, which increases quantity and activity of SYK as part of an oncogenic TRN. SYK contributes to the leukemia cell state through multiple mechanisms, including direct modulation of downstream growth-promoting transcriptional programs, phosphorylation of FLT3, a known driver of leukemogenic signaling, and participation in a positive feedback loop to MEIS1 that maintains high MEIS1 expression. We believe these multiple oncogenic functions make SYK a compelling therapeutic target and a critical node in the HOX/MEIS TRN.

Our expertise in TRN biology allowed us to recognize SYK as a critical node in the HOX/MEIS TRN, and in July 2020, we acquired a portfolio of selective, orally bioavailable small molecule SYK inhibitors from Gilead Sciences, Inc. (Gilead), including clinical-stage product candidates ENTO and lanraplenib (LANRA), immediately accelerating our pipeline to late clinical stage.

ENTO has been evaluated in multiple clinical trials in hematologic malignancies, including a three-arm Phase 1b/2 clinical trial in 148 AML patients, both as a monotherapy and in combination with standard of care. In one arm of this study, 53 newly diagnosed AML patients were treated with ENTO combined with induction chemotherapy (IC). The trial endpoints of establishing a safe combination dose of ENTO with IC and of estimating the rate of complete response (CR) to this combination were met for this study arm. Across all 53 patients, the CR rate at the end of combination ENTO and IC induction was 70%, which is in line with historical CR rates for IC. In addition, a retrospective analysis of this study arm explored the hypothesis that patients with high HOX/MEIS mRNA are more likely to benefit from the addition of ENTO to IC. This retrospective analysis revealed that CR rates in the genetic subsets associated with high HOX/MEIS expression, NPM1 mutations and MLL-r, were 87% (13 out of 15) and 90% (9 out of 10), respectively, compared to 54% (15 out of 28) in patients with neither mutation. Superior overall survival was also observed in the retrospective analysis in patients with HOX/MEIS mRNA levels above the median level of expression as compared to patients with levels of expression below the median. The results of this retrospective analysis are consistent with our preclinical hypothesis of SYK dependency in HOX/MEIS-driven AML. NPM1 mutation is a genetic driver and predictive marker of high HOX/MEIS that is reported to be present in approximately one-third of adult AML patients. Subject to our planned End of Phase 2 meeting with the U.S. Food and Drug Administration (FDA) and similar discussions with European regulatory agencies that we intend to have in the first half of 2021, we plan to directly proceed to a randomized, double-blinded, placebo-controlled registrational Phase 2/3 clinical trial of ENTO in combination with IC, in newly diagnosed AML patients harboring NPM1 mutations, with an anticipated data readout in 2023. In addition, we are planning to initiate a Phase 1/2 clinical trial in combination with a FLT3 inhibitor in patients with relapsed or refractory FLT3 mutated AML in 2021, with an anticipated data readout in 2022, and are also actively exploring rational combinations of ENTO with other agents, including venetoclax and hypomethylating agents (HMAs), in elderly or unfit AML patients with NPM1 mutations.

LANRA is a next generation SYK inhibitor with improved pharmacokinetic (PK) and pharmacologic properties compared with ENTO, including once daily dosing. We believe LANRA may present an attractive follow-on compound to ENTO for use in the treatment of AML or other indications.

**CDK9 Program: KB-0742**

Our second product candidate, KB-0742, was generated from our product engine's small molecule microarray (SMM) platform. KB-0742 is designed to be an orally bioavailable inhibitor of CDK9 with a differentiated selectivity profile. CDK9 is a serine/threonine kinase that forms the catalytic core of the positive transcription elongation factor b (P-TEFb). CDK9 is a global regulator of transcription, and has been recognized as a high-value oncology drug target due to its essential role in maintaining high levels of transcription for oncogenes and short-lived anti-apoptotic proteins.

We believe KB-0742's selectivity, oral bioavailability, and other differentiated pharmacologic properties will enable us to explore multiple dosing schedules in early clinical development, which may help us to identify the optimal level and duration of CDK9 target coverage while minimizing off-target or off-tumor toxicity. Certain tumors are "transcriptionally addicted," meaning that they require a higher level of transcription than normal cells in order to survive. We believe that we may be able to enhance the therapeutic index for CDK9 inhibition by specifically targeting certain tumors that are genomically-defined and transcriptionally addicted, where CDK9 acts as a critical node in the oncogenic TRN.

Our initial development focus for KB-0742 is in advanced solid tumors with MYC genomic copy number gain (amplification). MYC is a well-characterized transcription factor and a long-recognized driver of cancer that is dysregulated in a significant proportion of malignancies, including lung, breast, ovarian, and various gastro-intestinal cancers, often as a result of genomic amplification. CDK9 is a critical node in the MYC TRN, acting both as an upstream driver of MYC expression and a downstream co-factor of MYC itself that is required to drive the MYC-dependent oncogenic gene expression program. Preclinical characterization of KB-0742 has demonstrated that MYC genomic amplification is associated with

increased tumor sensitivity across multiple histologies, potentially enabling a tissue of origin-agnostic development strategy.

We have completed IND-enabling studies and are currently working to submit an IND in the fourth quarter of 2020. Subject to the clearance of our planned IND, we plan to initiate in 2021 a Phase 1/2 clinical trial of KB-0742 in cancer patients to evaluate its safety, PK and pharmacodynamic (PD) properties across multiple dose levels and dosing schedules. After identifying an appropriate dose level and dosing schedule, we intend to enroll expansion cohorts of patients with MYC-amplified solid tumors and potentially other transcriptionally addicted tumor types. The subsequent development path to registration will be based on the frequency, magnitude and durability of responses observed in these expansion cohorts, with anticipated data read out from the expansion cohorts of such trial in 2022.

#### **Discovery Programs**

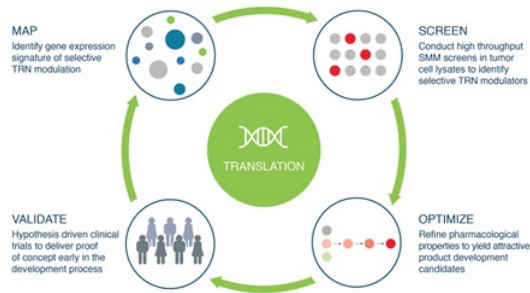
We continually invest in early discovery efforts utilizing our proprietary product engine, with the goal of expanding our pipeline of future product candidates. Our current efforts are focused on four cancer types where dysregulated transcription plays a central role: hematologic malignancies, prostate cancer, MYC-driven cancers, and small cell/neuroendocrine cancers. We anticipate making our first IND submission from among these discovery programs in 2022.

#### **Our Product Engine**

Directly targeting the dysregulated transcription factors at the center of oncogenic TRNs is a clinically validated strategy that has shown compelling efficacy and durability of response. Examples include androgen deprivation therapies in prostate cancer, such as enzalutamide and abiraterone, estrogen inhibitors or degraders in breast cancer, such as tamoxifen and fulvestrant, and Ikaros degraders in multiple myeloma, such as lenalidomide and other thalidomide analogues. Despite their potential therapeutic promise, transcription factors at the core of many oncogenic TRNs have been historically challenging targets for conventional drug discovery due to their context-dependent activity, domain structures and complexes.

Our differentiated product engine applies our computational and experimental biology expertise combined with our proprietary SMM platform to systematically target dysregulated transcription factors and their associated TRNs, allowing us to discover and develop novel product candidates targeting historically challenging targets that have previously been considered undruggable, as well as classically tractable targets within the specific context of an oncogenic TRN. Our product engine includes four interconnected components, each of which is informed by our clinical translational expertise.

### Interconnected Components of our Product Engine



- **Map: Oncogenic TRN Signatures** – Leverage our computational biology expertise, engineered cell systems and high throughput transcriptomic profiling to map the structure of TRNs defined by specific dysregulated transcription factors and identify the gene expression signature of selective TRN modulation that can be carried forward into discovery and clinical translation.
- **Screen: Our SMM Platform** – Conduct high throughput SMM screens against dysregulated transcription factors in tumor cell lysates to identify selective TRN modulators and determine mechanism of action.
- **Optimize: From Lead to Product Candidate** – Refine pharmacological properties to yield attractive product candidates.
- **Validate: Rapid Clinical Proof of Concept** – Design and execute hypothesis-driven clinical trials using a precision medicine approach to rapidly deliver clinical proof of concept and inform the path to potential product approval.

#### Our Strategy

Our goal is to become a leading biopharmaceutical company by discovering transformational small molecule modulators of historically challenging targets in cancer, and then developing and ultimately commercializing those agents using a precision medicine approach for patient populations with high unmet medical need. We intend to do this by continuing to employ our proprietary product engine to discover and develop product candidates. The key elements of our strategy include:

- Rapidly advance our SYK program into registrational clinical trials.
- Establish clinical proof of concept for our CDK9 program.
- Continue to grow our pipeline of product candidates.
- Selectively enter into strategic collaborations to maximize the potential of our pipeline.
- Leverage our experienced management team to build a fully-integrated, science-driven biopharmaceutical company addressing high unmet medical needs.

## **Our Team and History**

We are led by an experienced management team that possesses deep expertise in transcriptional regulation, computational and chemical biology, drug discovery platform technologies, and computational and medicinal chemistry. Collectively, our management team has a track record of obtaining regulatory approval and has successfully commercialized over 25 therapeutic products across multiple indications, including Atripla, Biktarvy, Complera, Epclusa, Genvoya, Harvoni, Sovaldi, Tamiflu, Yescarta and Zytiga. Norbert Bischofberger, Ph.D., our President and Chief Executive Officer, was previously Chief Scientific Officer and Executive Vice President of Research & Development at Gilead where he helped build the company over a 28-year tenure and was responsible for the regulatory approval of over 20 products in therapeutic areas including infectious disease and oncology. Jorge DiMartino, M.D., Ph.D., our Chief Medical Officer and Executive Vice President, Clinical Development, was previously Vice President, Translational Development Oncology at Celgene Corporation, and Group Medical Director at Genentech, Inc. in the Oncology Exploratory Clinical Development group, where he led the early development to proof of concept of multiple agents that subsequently received FDA approval. Christopher Dinsmore, Ph.D., our Chief Scientific Officer, was previously an Entrepreneur-in-Residence at Third Rock Ventures, Vice President and Head of Chemistry at Forma Therapeutics, Inc., and a medicinal chemist at Merck & Co., Inc. for 19 years. Barbara Kosacz, J.D., our Chief Operating Officer and General Counsel, was previously head of the global life sciences practice at the international law firm Cooley LLP, has more than 25 years of experience providing strategic and legal advice to life sciences companies and has structured and negotiated some of the most transformational life sciences transactions in the industry.

Our company was initially founded by Arie Belldregun, M.D., FACS, Joshua Kazam, David Tanen and Christopher Wilfong from Two River Consulting, LLC (Two River), a life science investment firm that partners with founders to create, finance and operate development-stage biopharmaceutical companies. Two River previously founded Kite Pharma, acquired by Gilead in 2017, and Allogene Therapeutics, Inc. Dr. Belldregun serves as founding Chairman of our board of directors. Dr. Belldregun is a clinician scientist and biotechnology entrepreneur who also founded Agensys Corporation, acquired by Astellas Pharma, Inc. in 2007, and Cougar Biotechnology, Inc., acquired by Johnson & Johnson in 2009.

Since our inception, we have raised approximately \$278.2 million in funding from leading investors, including Bellco Capital, funds and accounts managed by BlackRock, Inc., funds affiliated with Casdin Partners, Commodore Capital, EcoR1 Capital and Fidelity Management and Research Company, GV (formerly Google Ventures), Invus, Nextech, Omega Funds, Perceptive Life Sciences, Polaris Partners, Surveyor Capital (a Citadel company), funds and accounts advised by T. Rowe Price Associates, Inc., Woodline Partners, Two River and Vida Ventures.

## **Recent Private Financing**

In August 2020, we sold and issued approximately \$155.2 million aggregate principal amount of convertible promissory notes (2020 Notes) in a private placement transaction. The 2020 Notes do not accrue interest and will automatically settle into shares of our common stock in connection with the closing of this offering at a settlement price equal to 85% of the initial public offering price per share set forth on the cover page of this prospectus. In connection with this offering, assuming an initial public offering price of \$ per share (the midpoint of the price range set forth on the cover page of this prospectus), we anticipate the 2020 Notes will convert into an aggregate of shares of our common stock.

### **Risks Associated with Our Business**

Our business is subject to a number of risks that you should be aware of before making a decision to invest in our common stock. These risks are more fully described in the section titled "Risk Factors" immediately following this prospectus summary. These risks include, among others, the following:

- We have incurred significant net losses since inception, and we expect to incur losses over the next several years and may not be able to achieve or sustain revenues or profitability in the future.
- Even if this offering is successful, we will need substantial additional funding.
- We have a limited operating history and face significant challenges and will incur substantial expenses as we build our capabilities.
- We may not realize the benefits of our recent asset acquisition from Gilead or any future acquisitions or strategic transactions.
- Our discovery and development activities are focused on novel cancer therapeutics for patients with genetically defined cancers and it is difficult to predict the time and cost of product candidate development and obtaining regulatory approval.
- Drug development involves a lengthy and expensive process with uncertain outcomes, and the results of preclinical studies and early clinical trials are not necessarily predictive of future results.
- If we are unable to successfully develop companion diagnostic tests for our product candidates that require such tests, experience significant delays in doing so, or are unable to obtain any necessary FDA approvals of such tests, we may not be able to obtain approval for our product candidates, may be delayed in doing so, or may not realize the full commercial potential of these product candidates.
- The COVID-19 pandemic could adversely impact our business, including our planned clinical trials.
- Our approach to the discovery and development of product candidates is unproven, and we may not be successful in our efforts to use and further develop our product engine to expand our pipeline of product candidates with commercial value.
- The incidence and prevalence of the target indications for our product candidates have not been established with precision. If the market opportunities for our product candidates are smaller than we estimate or if any approval that we obtain is based on a narrower definition of the patient population, our revenue potential and ability to achieve profitability will be adversely affected.
- Our success depends on our ability to protect our intellectual property and our proprietary technologies.
- We rely, and expect to rely in the future, on third parties, including independent clinical investigators and contract research organizations (CROs), to conduct certain aspects of our preclinical studies and planned clinical trials.
- Our success is highly dependent on our ability to attract and retain highly skilled executive officers and employees.

### **Corporate Information**

We were incorporated under the laws of the State of Delaware on June 2, 2017. Our principal executive offices are located at 1300 So. El Camino Real, Suite 300, San Mateo, California 94402, and our telephone number is (650) 781-5200. Our corporate website address is [www.kronosbio.com](http://www.kronosbio.com).

Information contained on, or accessible through, our website shall not be deemed incorporated into and is not a part of this prospectus or the registration statement of which it forms a part. We have included our website in this prospectus solely as an inactive textual reference.

#### **Trademarks and Service Marks**

"Kronos Bio," "Kronos," the Kronos logo and other trademarks, trade names or service marks of Kronos Bio, Inc. appearing in this prospectus are the property of Kronos Bio, Inc. All other trademarks, trade names and service marks appearing in this prospectus are the property of their respective owners. Solely for convenience, the trademarks and trade names in this prospectus may be referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert their rights thereto.

#### **Implications of Being an Emerging Growth Company**

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act (JOBS Act), enacted in April 2012, and we may remain an emerging growth company for up to five years following the completion of this offering. For so long as we remain an emerging growth company, we are permitted and intend to rely on certain exemptions from various public company reporting requirements, including not being required to have our internal control over financial reporting audited by our independent registered public accounting firm pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley Act), reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and any golden parachute payments not previously approved. In particular, in this prospectus, we have provided only two years of audited financial statements and have not included all of the executive compensation-related information that would be required if we were not an emerging growth company. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

We would cease to be an "emerging growth company" upon the earliest to occur of: (i) the last day of the fiscal year in which we have \$1.07 billion or more in annual revenue; (ii) the date on which we first qualify as a large accelerated filer under the rules of the U.S. Securities and Exchange Commission (SEC); (iii) the date on which we have, in any three-year period, issued more than \$1.0 billion in non-convertible debt securities; and (iv) the last day of the fiscal year ending after the fifth anniversary of this offering. We may choose to take advantage of some but not all of these reduced reporting burdens.

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 avail ourselves of this exemption from new or revised accounting standards, and therefore we will not be subject to the same requirements to adopt new or revised accounting standards as other public companies that are not emerging growth companies.

## The Offering

Common stock to be offered	shares.
Option to purchase additional shares	The underwriters have a 30-day option to purchase up to additional shares of common stock from us.
Common stock to be outstanding immediately after this offering	shares (or shares if the underwriters exercise their option to purchase additional shares in full).
Use of proceeds	<p>We estimate that the net proceeds from this offering will be approximately \$ million (or approximately \$ million if the underwriters exercise in full their option to purchase up to additional shares of common stock), based on the assumed initial public offering price of \$ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.</p> <p>We intend to use the net proceeds from this offering to fund our planned registrational Phase 2/3 clinical trial of ENTO in combination with IC in AML patients with NPM1 mutations and a related milestone payment, to fund our planned Phase 1/2 clinical trial of KB-0742 for the treatment of advanced solid tumors, and the remainder for additional development activities for our SYK and CDK9 programs, continued discovery and preclinical development of additional product candidates, as well as working capital and other general corporate purposes. See the section of this prospectus titled "Use of Proceeds."</p>
Risk factors	You should read the section of this prospectus titled "Risk Factors" for a discussion of factors to consider carefully, together with all the other information included in this prospectus, before deciding to invest in our common stock.
Proposed Nasdaq Global Market symbol	"KRON"
Directed share program	At our request, the underwriters have reserved up to % of the shares of our common stock offered by this prospectus, excluding the additional shares that the underwriters have a 30-day option to purchase, for sale, at the initial public offering price, to certain of our directors and officers and certain other parties related to us. Shares purchased by our directors and officers will be subject to the 180-day lock-up restriction described in the "Underwriting" section of this prospectus. The number of shares of common stock available for sale to the general public will be reduced to the extent these individuals purchase such reserved shares. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same basis as the other shares offered by this prospectus.



The number of shares of our common stock to be outstanding after this offering is based on 28,518,619 shares of common stock outstanding as of June 30, 2020 (which includes 1,371,963 shares outstanding that are subject to forfeiture or our right to repurchase as of such date), and excludes:

- 2,119,880 shares of our common stock issuable upon the exercise of outstanding stock options as of June 30, 2020, with a weighted-average exercise price of \$2.70 per share;
- \_\_\_\_\_ shares of our common stock issuable upon the exercise of outstanding stock options granted subsequent to June 30, 2020, with a weighted-average exercise price of \$ \_\_\_\_\_ per share;
- \_\_\_\_\_ shares of common stock reserved for future issuance under our 2020 equity incentive plan (2020 Plan), as well as any automatic increases in the number of shares of our common stock reserved for future issuance under the 2020 Plan, which will become effective upon the execution and delivery of the underwriting agreement for this offering (including \_\_\_\_\_ shares of common stock reserved for issuance under our 2017 equity incentive plan (Prior Plan), which shares will be added to the 2020 Plan upon its effectiveness); and
- \_\_\_\_\_ shares of common stock reserved for future issuance under our 2020 employee stock purchase plan (ESPP), as well as any automatic increases in the number of shares of our common stock reserved for future issuance under the ESPP, which will become effective upon the execution and delivery of the underwriting agreement for this offering.

Unless otherwise indicated, all information contained in this prospectus, including the number of shares of common stock that will be outstanding after this offering, assumes or gives effect to:

- the conversion of all outstanding shares of our convertible preferred stock as of June 30, 2020 into an aggregate of 21,504,893 shares of our common stock in connection with the closing of this offering;
- the issuance of \_\_\_\_\_ shares of common stock upon the automatic share settlement of the 2020 Notes, assuming an initial public offering price of \$ \_\_\_\_\_ per share (the midpoint of the price range set forth on the cover page of this prospectus), in connection with the completion of this offering;
- no election by Gilead to convert the principal amount of the Gilead Note and accrued interest thereon into \_\_\_\_\_ shares of common stock in lieu of cash settlement of the Gilead Note upon the closing of this offering, which such number of shares assumes an initial public offering price of \$ \_\_\_\_\_ per share (the midpoint of the price range set forth on the cover page of this prospectus) and an offering closing date of \_\_\_\_\_, 2020;
- no exercise by the underwriters of their option to purchase up to \_\_\_\_\_ additional shares of our common stock;
- no exercise of the outstanding options described above;
- the filing and effectiveness of our amended and restated certificate of incorporation immediately prior to the closing of this offering and the adoption of our amended and restated bylaws upon the closing of this offering; and
- a one-for-\_\_\_\_\_ forward stock split of our common stock to be effected prior to the closing of this offering.

### Summary Financial Data

The following tables set forth a summary of our financial data as of, and for the periods ended on, the periods indicated. We have derived the summary statements of operations data for the years ended December 31, 2018 and 2019 from our audited financial statements included elsewhere in this prospectus. We have derived the summary statements of operations data for the six months ended June 30, 2019 and 2020 and the summary balance sheet data as of June 30, 2020 from our unaudited interim condensed financial statements included elsewhere in this prospectus. Our unaudited interim condensed financial statements have been prepared on a basis consistent with our audited financial statements and, in the opinion of management, reflect all adjustments, consisting solely of normal recurring adjustments, necessary for the fair presentation of the financial information in those statements. You should read the following summary financial data together with our financial statements and the related notes included elsewhere in this prospectus and in the sections of this prospectus titled "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our historical results are not necessarily indicative of results that should be expected in any future period, and our results for any interim period are not necessarily indicative of results that should be expected for any full year.

	Year Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
	(unaudited)			
	(in thousands, except share and per share data)			
<b>Statements of Operations Data:</b>				
Operating expenses:				
Research and development	\$ 5,033	\$ 13,446	\$ 5,172	\$ 13,370
General and administrative	1,612	3,370	1,465	2,777
<b>Total operating expenses</b>	<b>6,645</b>	<b>16,816</b>	<b>6,637</b>	<b>16,147</b>
Loss from operations	(6,645)	(16,816)	(6,637)	(16,147)
Interest income (expense), net	(76)	699	(2)	573
<b>Net loss</b>	<b>\$ (6,721)</b>	<b>\$ (16,117)</b>	<b>\$ (6,639)</b>	<b>\$ (15,574)</b>
<b>Net loss per share, basic and diluted<sup>(1)</sup></b>	<b>\$ (1.46)</b>	<b>\$ (3.22)</b>	<b>\$ (1.38)</b>	<b>\$ (2.85)</b>
Weighted-average shares of common stock, basic and diluted <sup>(1)</sup>	4,604,254	5,003,528	4,823,273	5,463,891
<b>Pro forma net loss per share, basic and diluted (unaudited)<sup>(1)</sup></b>	<b>\$ (0.81)</b>	<b>\$ (0.81)</b>	<b>\$ (0.58)</b>	<b>\$ (0.58)</b>
<b>Pro forma weighted-average shares of common stock, basic and diluted (unaudited)<sup>(1)</sup></b>	<b>19,811,235</b>	<b>19,811,235</b>	<b>19,811,235</b>	<b>26,968,784</b>

(1) See Notes 12 and 13 to our financial statements included elsewhere in this prospectus for details on the calculation of our basic and diluted net loss per share and our basic and diluted pro forma net loss per share, and the weighted-average number of shares used in computing the per share amounts.

	As of June 30, 2020		
	Actual	Pro Forma <sup>(1)(2)(4)</sup> (unaudited) (in thousands)	Pro Forma As Adjusted <sup>(2)(4)</sup>
<b>Balance Sheet Data:</b>			
Cash, cash equivalents, and short-term investments	\$ 81,463	\$	\$
Working capital <sup>(5)</sup>	76,353		
Total assets	120,534		
Convertible preferred stock	122,907		
Total stockholders' deficit	(37,981)		

- (1) The pro forma balance sheet data gives effect to (i) the conversion of all outstanding shares of our convertible preferred stock into an aggregate 21,504,893 shares of our common stock in connection with the closing of this offering; (ii) the settlement of the Gilead Note upon the closing of this offering through the payment of \$6.0 million plus accrued interest of approximately \$ (assuming a closing date of , 2020) and a charge to accumulated deficit of \$ million; (iii) the receipt of \$151.3 million in net cash proceeds from the sale of the 2020 Notes in August 2020 and the settlement of the 2020 Notes into shares of our common stock and a charge to accumulated deficit of \$ million related to the settlement of the 2020 Notes, assuming an initial public offering price of \$ per share (the midpoint of the price range set forth on the cover page of this prospectus), in connection with the closing of this offering (which is reflected in pro forma cash and cash equivalents and additional paid in capital); and (iv) the filing and effectiveness of our amended and restated certificate of incorporation immediately prior to the closing of this offering.
- (2) At Gilead's election, the outstanding principal amount of the Gilead Note plus accrued interest thereon may be converted into shares of our common stock upon the closing of this offering at a conversion price equal to 85% of the initial public offering price per share. If such election were to occur, for illustrative purposes, assuming an initial public price of \$ per share (the midpoint of the price range set forth on the cover page of this prospectus) and an offering closing date of , 2020, this elected conversion would result in the issuance of shares of our common stock in lieu of cash settlement upon the closing of this offering. For additional details regarding the Gilead Note, see the section of this prospectus titled "Business—Strategic Agreements."
- (3) The pro forma as adjusted balance sheet data gives effect to (i) the pro forma adjustments set forth in footnote (1) above and (ii) our receipt of net proceeds from the sale of shares of our common stock at the assumed initial public offering price of \$ per share (the midpoint of the price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each \$1.00 increase or decrease in the assumed initial public offering price would increase or decrease, as applicable, the pro forma as adjusted amounts of each of our cash, cash equivalents, and short-term investments, working capital, total assets and total stockholders' equity (deficit) by \$ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares offered by us would increase or decrease, as applicable, the pro forma as adjusted amounts of each of our cash, cash equivalents, and short-term investments, working capital, total assets and total stockholders' equity (deficit) by \$ million, assuming no change in the assumed initial public offering price per share and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.
- (4) This pro forma and pro forma as adjusted information is illustrative only and will depend on the actual initial public offering price and other terms of this offering determined at pricing.
- (5) We define working capital as our current assets less our current liabilities. See our financial statements and the related notes included elsewhere in this prospectus for further details regarding our current assets and current liabilities.

## 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 financial statements and the related notes included elsewhere in this prospectus 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 prospects. In such an event, the market price of our common stock could decline and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.*

### **Risks Related to Our Financial Condition and Capital Requirements**

***We have incurred significant net losses since inception, and we expect to incur losses over the next several years and may not be able to achieve or sustain revenues or profitability in the future.***

Investment in biopharmaceutical product development is a highly speculative undertaking and entails substantial upfront capital expenditures and significant risk that any potential product candidate will fail to demonstrate adequate efficacy or an acceptable safety profile, gain regulatory approval and become commercially viable. We have no products approved for commercial sale and have not generated any revenue from product sales to date, and we will continue to incur significant research and development and other expenses related to our ongoing operations. We have financed our operations primarily through private placements of our preferred stock and convertible notes.

We have incurred significant net losses in each period since we commenced operations in June 2017. For the years ended December 31, 2018 and 2019, we reported net losses of \$6.7 million and \$16.1 million, respectively. For the six months ended June 30, 2020, we reported a net loss of \$15.6 million. As of June 30, 2020, we had an accumulated deficit of \$39.0 million. We expect to continue to incur significant losses for the foreseeable future, and we expect these losses to increase substantially if and as we:

- conduct preclinical studies and clinical trials for our current and future product candidates;
- continue our research and development efforts, submit INDs and clinically develop our product candidates;
- seek marketing approvals for any product candidates that successfully complete clinical trials;
- experience any delays or encounter any issues with any of the above, including but not limited to failed studies, negative or mixed clinical trial results, safety issues or other regulatory challenges, the risk of which in each case may be exacerbated by the ongoing COVID-19 pandemic;
- establish a sales, marketing and distribution infrastructure and establish manufacturing capabilities, whether alone or with third parties, to commercialize product candidates for which we may obtain regulatory approval, if any;
- obtain, expand, maintain, enforce and protect our intellectual property portfolio;
- hire additional clinical, regulatory and scientific personnel; and
- operate as a public company.

Because of the numerous risks and uncertainties associated with biopharmaceutical product development, we are unable to accurately predict the timing or amount of increased expenses we will incur or when, if ever, we will be able to achieve profitability. Even if we succeed in commercializing one or more of our product candidates, we will continue to incur substantial research and development and

other expenditures to develop, seek regulatory approval for and potentially market our product candidates. We may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. The size of our future net losses will depend, in part, on the rate of future growth of our expenses and our ability, if ever, to generate revenue from our product candidates. Our prior losses and expected future losses have had and will continue to have an adverse effect on our stockholders' equity and working capital.

***We have not generated any revenue from our product candidates and may never be profitable.***

Our ability to become profitable depends upon our ability to generate revenue. To date, we have not generated any revenue from any of our product candidates. We do not expect to generate significant revenue unless or until we successfully complete clinical development and obtain regulatory approval of, and then successfully commercialize, our product candidates. ENTO and LANRA, which we only recently acquired from Gilead in July 2020, are our only product candidates in the clinical stage of development and KB-0742, our only other product candidate, is still in the preclinical stage of development. In addition, all of our product candidates will require additional clinical development, regulatory review and approval, substantial investment, access to sufficient commercial manufacturing capacity and significant marketing efforts before we can generate any revenue from product sales. Our ability to generate revenue from our product candidates depends on a number of factors, including, but not limited to:

- timely completion of our preclinical studies and planned clinical trials, which may be significantly slower or cost more than we currently anticipate and will depend substantially upon the performance of third-party contractors;
- our ability to complete IND-enabling studies and successfully submit and receive authorizations to proceed under INDs or comparable applications;
- whether we are required by the FDA or similar foreign regulatory authorities to conduct additional clinical trials or other studies beyond those planned to support the potential approval and commercialization of our product candidates or of any future product candidates;
- our ability to demonstrate to the satisfaction of the FDA and similar foreign regulatory authorities the safety, potency, purity, efficacy and acceptable risk-benefit profile of our product candidates or any future product candidates and such regulatory authorities' acceptance of our biomarker-driven development strategy (i.e., our pursuit of approval based on a biomarker rather than a specific cancer indication);
- the prevalence, duration and severity of potential side effects or other safety issues experienced with our product candidates or future product candidates, if any;
- the timely receipt of necessary marketing approvals from the FDA and similar foreign regulatory authorities;
- the willingness of physicians, operators of clinics and patients to utilize or adopt any of our product candidates or future product candidates over or to use in combination with alternative or more established therapies, such as IC and HMAs, to treat AML and MYC-amplified solid tumors and other transcriptionally addicted cancers;
- the actual and perceived availability, cost, risk profile and side effects and efficacy of our product candidates, if approved, relative to existing and future alternative cancer therapies and competitive product candidates and technologies;
- our ability and the ability of third parties with whom we contract to manufacture adequate clinical and commercial supplies of our product candidates or any future product candidates, remain in good standing with regulatory authorities and develop, validate and maintain commercially viable manufacturing processes that are compliant with current good manufacturing practices (cGMP);

- our ability to successfully develop a commercial strategy and thereafter commercialize our product candidates or any future product candidates in the United States and internationally, if approved for marketing, reimbursement, sale and distribution in such countries and territories, whether alone or in collaboration with others;
- patient demand for our product candidates and any future product candidates, if approved; and
- our ability to establish and enforce intellectual property rights in and to our product candidates or any future product candidates.

Many of the factors listed above are beyond our control and could cause us to experience significant delays or prevent us from obtaining regulatory approvals or commercializing any of our product candidates. Even if we are able to commercialize our product candidates, we may not achieve profitability soon after generating product sales, if ever. If we are unable to generate sufficient revenue through the sale of our product candidates or any future product candidates, we may be unable to continue operations without continued funding.

***Even if this offering is successful, we will need substantial additional funding. If we are unable to raise capital when needed, we would be compelled to delay, reduce or eliminate our product development programs or commercialization efforts.***

We expect our expenses to increase substantially in connection with our ongoing activities, particularly as we commence our planned clinical trials and any other future clinical trials, and continue our discovery and preclinical development activities to identify new product candidates, and seek marketing approval for, our product candidates. In addition, if we obtain marketing approval for any of our product candidates, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing and distribution. Furthermore, upon the closing of this offering, we expect to incur significant additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations, and we may need to raise additional funding sooner than expected if we choose to expand more rapidly than we presently anticipate. We cannot be certain that additional funding will be available on acceptable terms, or at all. Further, the duration and severity of the COVID-19 pandemic and its impact on the economy and financial markets in general could adversely affect our ability to raise additional capital. Until such time, if ever, as we can generate substantial product revenue, we expect to finance our operations through a combination of public or private equity offerings, debt financings, collaborations, strategic partnerships and alliances or marketing, distribution or licensing arrangements with third parties. If we are unable to raise capital when needed or on acceptable terms, we would be forced to delay, reduce or eliminate our discovery and preclinical development programs or any future commercialization efforts.

We had cash, cash equivalents, and short-term investments of \$81.5 million as of June 30, 2020. We estimate that our net proceeds from this offering will be \$ \_\_\_\_\_ million, 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, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We believe that, based upon our current operating plan, our existing capital resources, together with the net proceeds from this offering will be sufficient to fund our anticipated operations for at least the next \_\_\_\_\_ months, including through the completion of our planned registrational Phase 2/3 clinical trial of ENTO in combination with IC in AML patients with NPM1 mutations and the completion of our planned Phase 1/2 clinical trial of KB-0742 for the treatment of advanced solid tumors. However, we have based this estimate on our current development plans and assumptions that may prove to be wrong. Additionally, changing circumstances may cause us to consume capital significantly faster than we currently anticipate, and we may need to spend more money

than currently expected because of circumstances beyond our control, including as a result of the COVID-19 pandemic. In any event, our future capital requirements will depend on many factors, including:

- the scope, progress, results and costs of our planned registrational Phase 2/3 clinical trial of ENTO in combination with IC for the treatment of AML patients with NPM1 mutations;
- the scope, progress, results and costs of our planned Phase 1/2 clinical trial of KB-0742;
- the extent to which we pursue clinical development of LANRA;
- the scope, progress, results and costs of discovery, preclinical development and clinical trials for our other product candidates;
- the costs, timing and outcome of regulatory review of our product candidates and any required companion diagnostic;
- the extent to which we develop, in-license or acquire other pipeline product candidates or technologies;
- the costs of future commercialization activities, including product sales, marketing, manufacturing and distribution, for any of our product candidates for which we receive marketing approval;
- the costs associated with completing any post-marketing studies or trials required by the FDA or other regulatory authorities;
- revenue, if any, received from commercial sales of our product candidates, should any of our product candidates receive marketing approval;
- the costs of preparing, filing and prosecuting patent applications, obtaining, maintaining, enforcing and protecting our intellectual property rights and defending intellectual property-related claims; and
- to the extent we pursue strategic collaborations, including collaborations to commercialize any of our product candidates or any companion diagnostic collaborations, our ability to establish and maintain collaborations on favorable terms, if at all.

Even if this offering is successful, we will require additional capital to complete our planned clinical development programs for our current product candidates to obtain regulatory approval. Any additional capital-raising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our current and future product candidates, if approved.

#### **Risks Related to the Discovery and Development of our Product Candidates**

***We have a limited operating history and face significant challenges and will incur substantial expenses as we build our capabilities.***

We were incorporated in June 2017 and acquired certain rights to ETNO and LANRA and other orally bioavailable small molecule SYK inhibitors from Gilead in July 2020. We have a limited operating history and are subject to the risks inherent in a growing company, including, among other things, risks that we may not be able to hire sufficient qualified personnel and establish operating controls and procedures. We currently do not have complete in-house resources to enable our operations. As we build our own capabilities, we expect to encounter risks and uncertainties frequently experienced by growing companies in new and rapidly evolving fields, including the risks and uncertainties related to the evolving effects of the COVID-19 pandemic and those described herein. If we are unable to build our own capabilities, our operating and financial results could differ materially from our expectations, and our business could suffer.

Although ENTO and LANRA have been evaluated in Phase 1 and 2 clinical trials by Gilead, as a company, we have not progressed any product candidates to the clinic. We cannot be certain that our

planned clinical trials of our product candidates, including our planned Phase 1/2 clinical trial of KB-0742, our only internally generated product candidate, will begin or be completed when we currently expect, or at all.

***We may not realize the benefits of our recent asset acquisition from Gilead or any future acquisitions or strategic transactions.***

We are currently completing the transfer from Gilead of a portfolio of selective, orally bioavailable small molecule SYK inhibitors, including ENTO and LANRA, that we acquired from Gilead in July 2020, and it is possible that the transfer will not be as complete as we had anticipated, or completed on the timeframe we expect, or that we encounter challenges with integrating the data and technology related to these acquired product candidates into our business. We are reliant on Gilead to adequately assist us with the technology transfer, and any delays or inadequacies in such technology transfer, or disputes regarding the scope of such technology transfer, could delay our operations, including our planned regulatory submissions and clinical trials, adversely affect our ability to transfer technology to a third-party manufacturer, require us to expend additional resources or otherwise have an adverse effect on our business. If any such event were to occur, our clinical development plans related to the acquired SYK product candidates, including our planned registrational Phase 2/3 clinical trial of ENTO in combination with IC in AML patients with NPM1 mutations, could be delayed or otherwise adversely affected.

In addition, we may acquire other businesses, products or technologies as well as pursue joint ventures or investments in complementary businesses. The success of our recent SYK portfolio acquisition from Gilead, and any future acquisitions or strategic transactions depends on the risks and uncertainties involved including, but not limited to, the following:

- unanticipated liabilities related to acquired assets, companies or joint ventures;
- difficulties integrating acquired personnel, technologies and operations into our existing business;
- retention of key employees;
- diversion of management time and focus from operating our business to management of strategic alliances or joint ventures or acquisition integration challenges;
- increases in our expenses and reductions in our cash available for operations and other uses;
- disruption in our relationships with collaborators or suppliers as a result of such a transaction; and
- possible write-offs or impairment charges relating to acquired assets, businesses or joint ventures.

If any of these risks or uncertainties occur, we may not realize the anticipated benefit of any acquisition or strategic transaction. Additionally, foreign acquisitions and joint ventures are subject to additional risks, including those related to integration of operations across different cultures and languages, currency risks, potentially adverse tax consequences of overseas operations and the particular economic, political and regulatory risks associated with specific countries.

Future acquisitions or dispositions could also result in potentially dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities or amortization expenses or write-offs of goodwill, any of which could harm our financial condition.

***Our discovery and development activities are focused on novel cancer therapeutics for patients with genetically defined cancers and it is difficult to predict the time and cost of product candidate development and obtaining regulatory approval.***

The discovery and development of novel cancer therapeutics by targeting dysregulated transcription using a biomarker-driven precision medicine strategy is an emerging field, and the scientific discoveries



that form the basis for our efforts to discover and develop product candidates are relatively new. The scientific evidence to support the feasibility of developing product candidates based on these discoveries is both preliminary and limited. Although we believe, based on our preclinical work, and the data for ENTO and LANRA generated in clinical trials conducted by Gilead, the TRNs targeted by our programs drive oncogenic activity, future clinical results may not confirm this hypothesis or may only confirm it for certain mutations or certain tumor types. The patient populations for our product candidates are limited to those with cancers that exhibit specific target mutations that we believe serve as a genomic biomarker of transcription factor dysregulation, and may not be completely defined but are substantially smaller than the general treated cancer population, and we will need to screen and identify those patients who have the targeted mutations. Successful identification of patients is dependent on several factors, including achieving certainty as to how specific genetic alterations respond to our product candidates and developing or otherwise obtaining access to satisfactory companion diagnostics to identify such genetic alterations. Furthermore, even if we are successful in identifying patients, we cannot be certain that the resulting patient populations for each mutation will be large enough to allow us to successfully obtain approval for each mutation type and commercialize our products and achieve profitability. In any event, we do not know if our approach of treating patients with genetically defined cancers will be successful, and if our approach is unsuccessful, our business will suffer and you may lose all or part of your investment.

In addition, we are pursuing a biomarker-driven development strategy (i.e., pursuing regulatory approval based on efficacy of our product candidates in a biomarker-defined subset of patients with a specific cancer indication, rather than all such patients who suffer from a specific cancer indication). There is currently a limited number of approved biomarker-specific therapies. We may not receive approval for a biomarker-specific indication or may be delayed in receiving biomarker-specific approval.

***Drug development involves a lengthy and expensive process with uncertain outcomes, and the results of preclinical studies and early clinical trials are not necessarily predictive of future results. We may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of ENTO or our other product candidates.***

We are unable to predict when or if our products candidates will prove effective or safe in humans or will obtain marketing approval. Before obtaining marketing approval from regulatory authorities for the sale of any product candidate, we must complete preclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of our product candidates in humans. Clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to the outcome. A failure of one or more clinical trials can occur at any stage of testing. The outcome of preclinical testing and early clinical trials may not be predictive of the success of later clinical trials, and interim or preliminary results of a clinical trial do not necessarily predict final results. It is not uncommon to observe results in clinical trials that are unexpected based on preclinical studies and early clinical trials, and many product candidates fail in clinical trials despite very promising early results. Moreover, preclinical and clinical data may be susceptible to varying interpretations and analyses. A number of companies in the biopharmaceutical and biotechnology industries have suffered significant setbacks in clinical development even after achieving promising results in earlier studies. In addition, there can be no assurance that the encouraging safety and efficacy data observed in the Phase 1b/2 clinical trial of ENTO in 148 AML patients, which was conducted by Gilead, will be indicative of the safety or efficacy results that we will observe in our planned registrational Phase 2/3 clinical trial of ENTO in combination with IC in AML patients with NPM1 mutations.

We may experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent our ability to obtain marketing approval or commercialize our product candidates, including:

- regulators or institutional review boards (IRBs)/ethics committees (ECs) 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 clinical trial contracts with prospective trial sites;
- clinical trials for our product candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials, delay clinical trials or abandon product development programs;
- the number of patients required for clinical trials for our product candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate, participants may drop out of these clinical trials at a higher rate than we anticipate or the duration of these clinical trials may be longer than we anticipate;
- competition for clinical trial participants from investigational and approved therapies may make it more difficult to enroll patients in our clinical trials;
- we or potential future third-party collaborators may fail to obtain the clearance or approval of any required companion diagnostic on a timely basis, or at all;
- our third-party contractors may fail to meet their contractual obligations to us in a timely manner, or at all, or may fail to comply with regulatory requirements;
- we may have to suspend or terminate clinical trials for our product candidates for various reasons, including a finding that the participants are being exposed to unacceptable health risks;
- our product candidates may have undesirable or unexpected side effects or other unexpected characteristics, causing us or our investigators, regulators or IRBs/ECs to suspend or terminate the trials;
- the cost of clinical trials for our product candidates may be greater than we anticipate;
- the supply or quality of our product candidates or other materials necessary to conduct clinical trials for our product candidates may be insufficient or inadequate and result in delays or suspension of our clinical trials; and
- we or potential future third-party collaborators may fail to receive regulatory approval of a companion diagnostic for one or more of our product candidates, or for use with a marketed product.

Our product development costs will increase if we experience delays in preclinical studies or clinical trials or in obtaining marketing approvals. We do not know whether any of our planned preclinical studies or clinical trials will begin on a timely basis or at all, will need to be restructured or will be completed on schedule, or at all.

Significant preclinical or clinical trial delays also could shorten any periods during which we may have the exclusive right to commercialize our product candidates or allow our competitors to bring products to market before we do and impair our ability to successfully commercialize our product candidates and may harm our business and results of operations.

***Any delays in the commencement or completion, or termination or suspension, of our planned or future clinical trials could result in increased costs to us, delay or limit our ability to generate revenue and adversely affect our commercial prospects.***

Before we can initiate clinical trials of a product candidate in any indication, we must submit the results of preclinical studies to the FDA along with other information, including information about the product candidate's chemistry, manufacturing and controls and our proposed clinical trial protocol, as part of an IND or similar regulatory submission under which we must receive authorization to proceed with clinical development.

Before obtaining marketing approval from the FDA of ENTO or of any other product candidate in any indication, we must conduct extensive clinical studies to demonstrate safety and efficacy. Clinical testing is expensive, time consuming and uncertain as to outcome. In addition, we expect to rely in part on preclinical, clinical and quality data generated by our CROs and other third parties for regulatory submissions for our product candidates. While we have or will have agreements governing these third parties' services, we have limited influence over their actual performance. If these third parties do not make data available to us, or, if applicable, make regulatory submissions in a timely manner, in each case pursuant to our agreements with them, our development programs may be significantly delayed and we may need to conduct additional studies or collect additional data independently. In either case, our development costs would increase. We have two clinical stage product candidates, ENTO and LANRA, which we only recently acquired from Gilead in July 2020 pursuant to the Gilead Asset Purchase Agreement. We have not submitted an IND for any of our other product candidates, and we will need to submit an IND to the FDA which must become effective prior to initiating any clinical trials in the United States for our other product candidates, including KB-0742.

The FDA may require us to conduct additional preclinical studies for any product candidate before it allows us to initiate clinical trials under any IND, which may lead to additional delays and increase the costs of our preclinical development programs.

Any delays in the commencement or completion of our planned or future clinical trials could significantly affect our product development costs. We do not know whether our planned trials will begin on time or be completed on schedule, if at all. The commencement and completion of clinical trials can be delayed for a number of reasons, including delays related to:

- with respect to ENTO, the FDA or applicable European regulatory agencies disagreeing as to the proposed design or implementation of our planned registrational Phase 2/3 clinical trial of ENTO in combination with IC;
- obtaining FDA or foreign regulatory authority authorization to commence a clinical trial or reaching a consensus with the FDA or a foreign regulatory authority on clinical trial design;
- failing to obtain regulatory clearance or approval of companion diagnostics we may use to identify patients for enrollment in our clinical trials;
- any failure or delay in reaching an agreement with CROs and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- obtaining approval from one or more IRBs/ECs;
- IRBs/ECs refusing to approve, suspending or terminating the trial at an investigational site, precluding enrollment of additional subjects, or withdrawing their approval of the trial;
- changes to clinical trial protocol;
- clinical sites deviating from trial protocol or dropping out of a trial;
- failing to manufacture or obtain sufficient quantities of product candidate or, if applicable, combination therapies for use in clinical trials;
- patients failing to enroll or remain in our trial at the rate we expect, or failing to return for post-treatment follow-up, including patients failing to remain in our trials due to movement restrictions, health reasons or otherwise resulting from the evolving effects of the COVID-19 pandemic;
- patients choosing an alternative treatment, or participating in competing clinical trials;
- lack of adequate funding to continue the clinical trial;

- patients experiencing severe or unexpected drug-related adverse effects;
- occurrence of serious adverse events in trials of the same class of agents conducted by other companies;
- selecting or being required to use clinical end points that require prolonged periods of clinical observation or analysis of the resulting data;
- a facility manufacturing our product candidates or any of their components being ordered by the FDA or applicable foreign regulatory authorities to temporarily or permanently shut down due to violations of cGMP regulations or other applicable requirements, or infections or cross-contaminations of product candidates in the manufacturing process;
- interruptions to operations of clinical sites, manufacturers, suppliers, or other vendors from a health epidemic or pandemic, such as the COVID-19 pandemic;
- any changes to our manufacturing process that may be necessary or desired;
- third-party clinical investigators losing the licenses or permits necessary to perform our clinical trials, not performing our clinical trials on our anticipated schedule or consistent with the clinical trial protocol, good clinical practices (GCP) or other regulatory requirements;
- us, or our third-party contractors not performing data collection or analysis in a timely or accurate manner or improperly disclosing data prematurely or otherwise in violation of a clinical trial protocol;
- third-party contractors becoming debarred or suspended or otherwise penalized by the FDA or other government or regulatory authorities for violations of regulatory requirements, in which case we may need to find a substitute contractor, and we may not be able to use some or all of the data produced by such contractors in support of our marketing applications; or
- disruptions caused by the COVID-19 pandemic, which may increase the likelihood that we encounter difficulties or delays in initiating, enrolling, conducting or completing our planned clinical trials.

In addition, our proposal for new or emerging biomarker focused endpoints may result in data that is not accepted by certain regulatory bodies or industry professionals, or if such endpoints are later found to be insufficient to establish clinical efficacy, may require us to change the design of our clinical trials. With respect to our planned registrational Phase 2/3 clinical trial of ENTO in combination with IC for the treatment of newly diagnosed AML patients with NPM1 mutations, we plan to establish measurable residual disease (MRD) negative CR as the primary endpoint, in support of regulatory approval. MRD has only recently emerged as a surrogate endpoint for progression free survival in hematological malignancies, and while regulatory approvals on the basis of MRD status have been granted in acute lymphocytic leukemia and Chronic Lymphocytic Leukemia (CLL), to date there has not been any regulatory approval on the basis of MRD status in AML. Further, we have not yet discussed the proposed trial protocol with the FDA, including the proposal to use MRD negative CR as a biomarker-driven primary endpoint or the potential of this trial to serve as a registrational trial to support submission of a New Drug Application (NDA). Our proposed trial design for our planned registrational Phase 2/3 clinical trial of ENTO in combination with IC for the treatment of AML patients with NPM1 mutations, including establishing MRD negative CR rate as the primary endpoint, may not enable an expeditious path to regulatory approval in newly diagnosed AML patients with NPM1 mutations and may not be accepted by the FDA or otherwise be sufficient to obtain regulatory approval, and we may be required to change the design of this trial, including with respect to the primary endpoint, in order to commence this clinical trial or potentially obtain regulatory approval for this indication, which could result in a longer time to potential commercialization of ENTO in the United States, if approved and commercialized at all, could increase the costs of development and could harm our competitive position in the marketplace. In addition, , even

if regulatory agencies accept MRD negative CR as a primary endpoint and we are allowed to proceed with our planned Phase 2/3 clinical trial, failure of the industry to adopt MRD negative CR rate as a valid or meaningful endpoint for an AML therapeutic may result in our clinical trial results being discounted or disregarded by industry professionals.

We could also encounter delays if a clinical trial is suspended or terminated by us, by the IRBs/ECs of the institutions in which such trials are being conducted, by a Data Safety Monitoring Board for such trial or by the FDA or foreign 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 foreign 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 pharmaceutical, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. In addition, changes in regulatory requirements and policies may occur, and we may need to amend clinical trial protocols to comply with these changes. Amendments may require us to resubmit our clinical trial protocols to IRBs/ECs for reexamination, which may impact the costs, timing or successful completion of a clinical trial.

Certain of our current or future scientific advisors or consultants who receive compensation from us may become investigators for our future clinical trials. Under certain circumstances, we may be required to report some of these relationships to the FDA. Although we expect any such relationships to be within the FDA's guidelines, the FDA may conclude that a financial relationship between us and a principal investigator has created a conflict of interest or otherwise affected interpretation of the study. The FDA may therefore question the integrity of the data generated at the applicable clinical trial site and the utility of the clinical trial itself may be jeopardized. This could result in a delay in approval, or rejection, of our marketing applications by the FDA and may ultimately lead to the denial of marketing approval of ENTO or our other product candidates. If we experience delays in the completion of, or termination of, any clinical trial of ENTO or any other product candidate, the commercial prospects of such product candidate will be harmed, and our ability to generate product revenues will be delayed. Moreover, any delays in completing our clinical trials will increase our costs, slow down our development and approval process and jeopardize our ability to commence product sales and generate revenues which may harm our business, financial condition, results of operations and prospects significantly.

***If we experience delays or difficulties in enrolling patients in our planned clinical trials, our receipt of necessary regulatory approval could be delayed or prevented.***

We may not be able to initiate or continue our planned clinical trials for our product candidates if we are unable to identify and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA. In addition, some of our competitors may have ongoing clinical trials for product candidates that would treat the same or a similar patient population as we plan to treat with ENTO or our other product candidates in clinical trials, and patients who would otherwise be eligible for our clinical trials may instead enroll in clinical trials of our competitors' product candidates.

Subject to the clearance of our planned IND for KB-0742, we plan to initiate a Phase 1/2 clinical trial of KB-0742 in cancer patients to evaluate its safety, PK and PD across multiple dose levels and dosing schedules. Following identification of a recommended Phase 2 clinical trial dose and schedule, we intend to enroll expansion cohorts in one or more biomarker-defined patient populations with transcriptionally addicted cancers, beginning with MYC-amplified solid tumors independent of histology. However, if the safety, PK or PD data from the first stage of the clinical trial suggest our initial doses are suboptimal, this would likely delay initiation of the expansion cohorts. We may also seek to enroll an additional cohort of soft tissue sarcoma patients with transcription factor fusions and patients with chordoma, an incurable solid tumor addicted to the brachyury transcription factor, in order to further demonstrate proof of concept for KB-0742. While we believe it is feasible to enroll such patients at major academic centers, patients with these tumor types are relatively rare, and we may be unable to enroll or maintain a sufficient number of

these patients in any such additional cohort, which could adversely affect our development and registration strategy for KB-0742.

Patient enrollment is also affected by other factors, including:

- severity of the disease under investigation;
- our ability to recruit clinical trial investigators of appropriate competencies and experience;
- the incidence and prevalence of our target indications;
- clinicians' and patients' awareness of, and perceptions as to the potential advantages and risks of our product candidates in relation to other available therapies, including any new drugs that may be approved for the indications we are investigating;
- invasive procedures required to enroll patients and to obtain evidence of the product candidate's performance during the clinical trial;
- availability and efficacy of approved medications for the disease under investigation;
- eligibility criteria defined in the protocol for the trial in question;
- the size of the patient population required for analysis of the trial's primary endpoints;
- efforts to facilitate timely enrollment in clinical trials;
- whether we are subject to a partial or full clinical hold on any of our clinical trials;
- reluctance of physicians to encourage patient participation in clinical trials;
- the ability to monitor patients adequately during and after treatment;
- our ability to obtain and maintain patient consents;
- proximity and availability of clinical trial sites for prospective patients; and
- our ability to timely activate clinical trial sites during the ongoing COVID-19 pandemic and other delays and complications resulting from the evolving effects of the COVID-19 pandemic.

Our inability to enroll the required number of patients for our clinical trials would result in significant delays or may require us to abandon one or more clinical trials altogether. Enrollment delays in our clinical trials may result in increased development costs, which would cause the value of our company to decline and limit our ability to obtain additional financing.

***Adverse side effects or other safety risks associated with ENTO or our other product candidates or future product candidates could delay or preclude approval, cause us to suspend or discontinue clinical trials or abandon further development, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any.***

As is the case with pharmaceuticals generally, side effects and adverse events (AEs) associated with ENTO have been observed. In ENTO's first clinical trial in healthy volunteers and subjects with rheumatoid arthritis (RA), the most frequently reported AEs were headache, nausea and constipation without any clear relationship to dose level. Mildly increased liver enzymes were observed in some healthy subjects and patients with RA. In a clinical trial of ENTO in more than 700 patients with hematologic malignancies, predominantly with B cell malignancies such as CLL, the most frequently reported treatment-related AEs, with an incidence greater than 10% in CLL patients, were fatigue, nausea, diarrhea, headache, decreased appetite and fever. AEs of Grade 3 or greater in at least 5% of patients included neutropenia, elevated liver enzymes and electrolyte abnormalities. ENTO has also been

tested in a Phase 1b/2 clinical trial in 148 AML patients. Early ENTO safety studies were conducted in relapsed patients as monotherapy and in combination with IC and in newly diagnosed elderly patients in combination with HMAs such as azacitidine or decitabine. Aside from the AEs typical of the disease and IC, such as cytopenias and fever, the main AEs attributable to ENTO included diarrhea, nausea, and febrile neutropenia. Results of our planned clinical trials, including those for ENTO and KB-0742, could reveal a high and unacceptable severity and prevalence of side effects or unexpected characteristics. Undesirable side effects caused by our product candidates could result in the delay, suspension or termination of clinical trials by us or the FDA or foreign regulatory authorities for a number of reasons. Additionally, due to the high mortality rates of the cancers for which we are initially pursuing development of ENTO and KB-0742, a significant percentage of patients in these clinical trials may die during a trial, which could impact development of these product candidates. If we elect or are required to delay, suspend or terminate any clinical trial, the commercial prospects of our product candidates will be harmed and our ability to generate product revenues from this product candidate will be delayed or eliminated. Serious adverse events observed in clinical trials could hinder or prevent market acceptance of our product candidates. Any of these occurrences may harm our business, prospects, financial condition and results of operations significantly.

Moreover, if our product candidates are associated with undesirable side effects in clinical trials or have characteristics that are unexpected, we may elect to abandon or limit their development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective, which may limit the commercial expectations for our product candidates, if approved. We may also be required to modify our study plans based on findings in our clinical trials. Many drugs that initially showed promise in early stage testing have later been found to cause side effects that prevented further development. In addition, regulatory authorities may draw different conclusions or require additional testing to confirm these determinations.

It is possible that as we test our product candidates in larger, longer and more extensive clinical trials, including with different dosing regimens, or as the use of our product candidates becomes more widespread following any regulatory approval, illnesses, injuries, discomforts and other adverse events that were observed in earlier trials, as well as conditions that did not occur or went undetected in previous trials, will be reported by patients. If such side effects become known later in development or upon approval, if any, such findings may harm our business, financial condition, results of operations and prospects significantly.

In addition, if any of our product candidates receive marketing approval, and we or others later identify undesirable side effects caused by treatment with such drug, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw or limit their approval of the product;
- we may be required to recall a product or we may voluntarily remove it from the marketplace;
- we may be required to change the way the product is administered to patients or conduct additional clinical trials;
- regulatory authorities may require additional warnings on the label, such as a "black box" warning or a contraindication, or issue safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings or other safety information about the product;
- we may be required to implement a Risk Evaluation and Mitigation Strategy (REMS) or create a medication guide outlining the risks of such side effects for distribution to patients;
- additional restrictions may be imposed on the marketing or promotion of the particular product or the manufacturing processes for the product or any component thereof;
- we could be sued and held liable for harm caused to patients;

- the drug could become less competitive; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of our product candidates, if approved, and could significantly harm our business, financial condition, results of operations and prospects.

***Interim, topline and preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available, and are subject to audit and verification procedures that could result in material changes in the final data.***

From time to time in the future, we may publicly disclose preliminary, interim or topline data from our planned clinical trials. These updates are typically 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 interim, topline or preliminary results that we may report may differ from future results of the same studies, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Interim, topline and preliminary 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, such data should be viewed with caution until the final data are available. In addition, we may report interim analyses of only certain endpoints rather than all endpoints. Interim, topline, or preliminary data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Adverse changes between interim data and final data could significantly harm our business and prospects. Further, additional disclosure of interim, topline or preliminary data by us or by our competitors in the future could result in volatility in the price of our common stock after this offering. See the description of risks under the heading "Risks Related to our Common Stock and this Offering" for more disclosure related to the risk of volatility in our stock price.

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 our company in general. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is typically selected from a more extensive amount of available information. 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 drug, product candidate or our business. If the interim, topline or preliminary data that we report differ from late, final or actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize, ENTO or any other product candidates may be harmed, which could harm our business, financial condition, results of operations and prospects.

***If we are unable to successfully develop companion diagnostic tests for our product candidates that require such tests, experience significant delays in doing so, or are unable to obtain any necessary FDA approvals of such tests, we may not be able to obtain approval for our product candidates, may be delayed in doing so, or may not realize the full commercial potential of these product candidates.***

In developing a product candidate for certain indications, we may decide to use a biomarker-based test to identify patients for enrollment and, or, monitor patients in clinical trials. For example, we plan to use a biomarker-based test to identify patients for enrollment in our planned registrational Phase 2/3



clinical trial of ENTO in combination with IC for the treatment of AML patients with NPM1 mutations. If the FDA determines that a companion diagnostic device is essential to the safe and effective use of a novel therapeutic product or indication, the FDA generally will not approve the therapeutic product or new therapeutic product indication if the companion diagnostic is not also approved or cleared for that indication. The FDA generally requires contemporaneous approvals of a new companion diagnostic with the proposed therapeutic. To date, the FDA has required premarket approval of all companion diagnostics for cancer therapies. As such, if a satisfactory companion diagnostic is not commercially available, we may be required to create or obtain one that would be subject to regulatory approval or clearance requirements.

We plan to develop, either by ourselves or with collaborators, companion diagnostic tests for our product candidates for certain indications, which may include ENTO for the treatment of AML patients with NPM1 mutations. To be successful, we or our collaborators will need to address a number of scientific, technical, regulatory and logistical challenges. Companion diagnostics are regulated as medical devices, and we have no prior experience with medical device or diagnostic test development. If we choose to or are required to develop and seek FDA approval for companion diagnostic tests on our own, we will require additional personnel. We may rely on third parties for the design, development and manufacture of companion diagnostic tests for our product candidates that require such tests. If these parties are unable to successfully develop companion diagnostics for these product candidates, or experience delays in doing so, we may be unable to enroll enough patients for our current and planned clinical trials, the development of these product candidates may be adversely affected, these product candidates may not obtain marketing approval, and we may not realize the full commercial potential of any of these products that obtain marketing approval. In the event a satisfactory companion diagnostic is not commercially available for use with ENTO for the treatment of AML patients with NPM1 mutations, we plan to pursue co-development of a companion diagnostic with ENTO, and would plan to initially develop a prototype companion diagnostic for use as a clinical trial assay to confirm the presence of NPM1 mutations in AML patients in our planned registrational Phase 2/3 clinical trial of ENTO in combination with IC. Any failure to successfully develop this companion diagnostic, if required, may cause or contribute to delayed enrollment of this trial, and may prevent us from initiating the registrational clinical trial of ENTO as well as ultimately seek approval for ENTO in AML patients with NPM1 mutations. As a result, our business, results of operations and financial condition could be materially harmed.

***The COVID-19 pandemic could adversely impact our business, including our planned clinical trials.***

The COVID-19 pandemic in the United States and in other countries in which we have planned clinical trials and where our current or future third party manufacturers or supply chain vendors operate, could cause significant disruptions that could severely impact our business and our planned clinical trials, including:

- delays or difficulties in screening and enrolling patients in our planned clinical trials;
- delays or difficulties in clinical site initiation, including difficulties in recruiting clinical site investigators and clinical site staff;
- diversion of healthcare resources away from the conduct of clinical trials, including the diversion of hospitals serving as our clinical trial sites and hospital staff supporting the conduct of our clinical trials;
- inability or unwillingness of subjects to travel to the clinical trial sites;
- delays or difficulties in data collection and analysis and other related activities;
- decreased implementation of protocol-required clinical trial activities and quality of source data verification at clinical trial sites;

- interruption of key clinical trial activities, such as clinical trial site monitoring, due to limitations on travel imposed or recommended by federal or state governments, employers and others;
- limitations in employee resources that would otherwise be focused on the conduct of our clinical trials and our other research and development activities, including because of sickness of employees or their families or mitigation measures such as lock-downs and social distancing;
- delays in receiving approval from local regulatory authorities to initiate our planned clinical trials;
- delays in clinical sites receiving the supplies and materials needed to conduct our clinical trials;
- interruption in global shipping that may affect the transport of clinical trial materials, such as investigational drug product used in our clinical trials;
- changes in local regulations as part of a response to the COVID-19 pandemic which may require us to change the ways in which our clinical trials are conducted, which may result in unexpected costs, delays, or to discontinue the clinical trials altogether;
- delays in necessary interactions with local regulators, ethics committees and other important agencies and contractors due to limitations in employee resources or forced furlough of government employees;
- refusal of the FDA or foreign regulatory authorities to accept data from clinical trials in affected geographies; and
- adverse impacts on global economic conditions which could have an adverse effect on our business and financial condition, including impairing our ability to raise additional capital when needed.

Such disruptions could impede, delay, limit or prevent completion of our preclinical studies or commencement or the continuation of planned or other future clinical trials and ultimately lead to the delay or denial of regulatory approval of our product candidates, which would seriously harm our operations and financial condition and increase our costs and expenses. In addition, we also experienced delays in our discovery and development activities as a result of the COVID-19 pandemic, primarily due to temporary and partial shutdowns at certain of our CROs that have since resumed normal operations, and due to the California and Massachusetts stay-at-home orders where our operations are located. Future or revised stay-at-home orders could result in additional delays or otherwise negatively impact our discovery and development activities. The COVID-19 pandemic could also affect the business of the FDA or other health authorities which could result in delays in meetings related to planned clinical trials and ultimately of reviews and approvals of our product candidates. Moreover, to the extent the evolving effects of the COVID-19 pandemic adversely affect our business and financial condition, they may also have the effect of heightening many of the other risks and uncertainties described elsewhere in this "Risk Factors" section.

The global COVID-19 pandemic continues to rapidly evolve. The extent to which the COVID-19 pandemic may impact our business, preclinical development activities and planned clinical trials will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the ultimate duration and severity of the pandemic, travel restrictions and social distancing in the United States and other countries, business closures or business disruptions and the effectiveness of actions taken in the United States and other countries to contain and treat the disease.

***We may expend our limited resources to pursue a particular product candidate or indication and fail to capitalize on product candidates or indications that may be more profitable or for which there is a greater likelihood of success.***

Because we have limited financial and managerial resources, we focus on research programs and product candidates that we identify for specific indications. As a result, we may forego or delay pursuit of

opportunities with other product candidates or for other indications that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Our spending on current and future research and development programs and product candidates for specific indications may not yield any commercially viable products. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate.

***Our approach to the discovery and development of product candidates is unproven, and we may not be successful in our efforts to use and further develop our product engine to expand our pipeline of product candidates with commercial value.***

A key element of our strategy is to use our product engine to further develop our pipeline of product candidates and progress these product candidates through clinical development and ultimately achieve approval for the treatment of various cancers by focusing on dysregulated transcription factors and the TRNs through which they drive oncogenic activity. The discovery and development activities that we are conducting may not be successful in developing product candidates that are useful in treating cancer or other diseases.

With respect to an internally developed product candidates, our research and development efforts to date have resulted in our discovery and preclinical development of KB-0742 as well as four early-stage discovery programs. KB-0742 may not be safe or effective as a cancer treatment and, with respect to our early-stage discovery programs, we may not identify suitable product candidates for preclinical or clinical development. Our product engine may not be successful in further developing our pipeline of product candidates. For example, we may not be successful in identifying novel product candidates that can selectively modulate oncogenic TRNs. Even if we are successful in building our pipeline of product candidates, the potential product candidates that we identify may not be suitable for clinical development or generate acceptable clinical data, including as a result of being shown to have unacceptable toxicity or other characteristics that indicate that they are unlikely to be products that will receive marketing approval from the FDA or other regulatory authorities or achieve market acceptance. If we do not successfully develop and commercialize product candidates, we will not be able to generate product revenue in the future, which likely would result in significant harm to our financial position and adversely affect our stock price after this offering.

***As a company, we have not conducted any clinical trials to date.***

While our management team has extensive experience conducting clinical trials, we have not as a company conducted any clinical trials to date. We therefore cannot be certain that our planned clinical trials will begin or be completed on time, or at all. In addition, the ongoing COVID-19 pandemic may create additional challenges in conducting such clinical trials. Moreover, we currently do not have complete in-house resources to enable our operations, including our planned clinical trials, and we may not be able to hire sufficient qualified personnel to support our planned clinical trials.

In addition, large-scale clinical trials require significant financial and management resources and reliance on third-party clinical investigators, CROs and consultants. Relying on third-party clinical investigators, CROs and consultants may force us to encounter delays that are outside of our control. We may be unable to identify and contract with sufficient investigators, CROs and consultants on a timely basis, or at all.

***Since the number of patients that we plan to dose in our planned Phase 1/2 clinical trial of KB-0742 will likely be small relative to a later-stage clinical trial, the results from such clinical trial, once***

**completed, may be less reliable than results achieved in larger clinical trials, which may hinder our efforts to further develop and obtain regulatory approval for this product candidate.**

In our planned Phase 1/2 clinical trial of KB-0742, we plan to evaluate the safety, PK and PD profile of KB-0742 in patients with advanced solid tumors, and define an optimal dose and schedule for expansion cohorts in cancer patients with MYC-amplified solid tumors and other transcriptionally addicted cancers. The number of patients we would expect to enroll in this clinical trial is likely to be significantly smaller than the number of patients that would need to be enrolled in a registrational or other late-stage clinical trial. The results of clinical trials with smaller sample sizes, such as our planned Phase 1/2 clinical trial of KB-0742, can be disproportionately influenced by various biases associated with the conduct of small clinical trials, such as the potential failure of the smaller sample size to accurately depict the features of the broader patient population, which limits the ability to generalize the results across a broader community, thus making the clinical trial results less reliable than clinical trials with a larger number of patients. As a result, there may be less certainty that such product candidates would achieve a statistically significant effect in any future clinical trials. If we conduct any future clinical trials of KB-0742, we may not achieve a statistically significant result or the same level of statistical significance, if any, that we might have anticipated based on the results observed in our initial Phase 1/2 clinical trial.

#### **Risks Related to the Commercialization of Our Product candidates**

***The incidence and prevalence of the target indications for our product candidates have not been established with precision. If the market opportunities for our product candidates are smaller than we estimate or if any approval that we obtain is based on a narrower definition of the patient population, our revenue potential and ability to achieve profitability will be adversely affected.***

The total addressable market opportunity for ENTO and our other product candidates will ultimately depend upon, among other things, the diagnosis criteria included in the final label for each such product candidate if our product candidates are approved for sale for these indications, acceptance by the medical community and patient access, drug and any related companion diagnostic pricing and their reimbursement. The number of patients in our targeted commercial markets and elsewhere may turn out to be lower than expected, patients may not be otherwise amenable to treatment with our products, or new patients may become increasingly difficult to identify or gain access to, all of which would adversely affect our results of operations and our business.

***The market opportunities for certain of our product candidates may be relatively small as they be limited to those patients who are ineligible for or have failed prior treatments and our estimates of the prevalence of our target patient populations may be inaccurate.***

Cancer therapies are sometimes characterized as first line, second line, or third line, and the FDA often approves new therapies initially only for a particular line of use. When cancer is detected early enough, first line therapy is sometimes adequate to cure the cancer or prolong life without a cure. Whenever first line therapy, usually chemotherapy, antibody drugs, tumor-targeted small molecules, hormone therapy, radiation therapy, surgery, or a combination of these, proves unsuccessful, second line therapy may be administered. Second line therapies often consist of more chemotherapy, radiation, antibody drugs, tumor-targeted small molecules, or a combination of these. Third line therapies can include chemotherapy, antibody drugs and small molecule tumor-targeted therapies, more invasive forms of surgery and new technologies. Although we plan to initiate a registrational Phase 2/3 clinical trial of ENTO in combination with IC for the treatment of newly diagnosed AML patients with NPM1 mutations, in some instances we may initially seek approval of our product candidates as a second- or third-line therapy. Subsequently, for those product candidates that prove to be sufficiently safe and beneficial, if any, we would expect to seek approval as a second line therapy and potentially as a first line therapy, but there is no guarantee that our product candidates, even if approved as a second or third or subsequent line of therapy, would be approved for an earlier line of therapy, and, prior to any such approvals, we may have to conduct additional clinical trials.

Our projections of both the number of people who have the cancers we are targeting, who may have their tumors genetically sequenced, as well as the subset of people with these cancers in a position to receive a particular line of therapy and who have the potential to benefit from treatment with our product candidates, are based on our beliefs and estimates. These estimates have been derived from a variety of sources, including scientific literature, surveys of clinics, patient foundations or market research, and may prove to be incorrect. Further, new therapies may change the estimated incidence or prevalence of the cancers that we are targeting. Consequently, even if our product candidates are approved for a second or third line of therapy, the number of patients that may be eligible for treatment with our product candidates may turn out to be much lower than expected. In addition, we have not yet conducted market research to determine how treating physicians would expect to prescribe a product that is approved for multiple tumor types if there are different lines of approved therapies for each such tumor type.

***Even if approved, our product candidates may not achieve adequate market acceptance among physicians, patients, healthcare payors and others in the medical community necessary for commercial success.***

Even if our product candidates receive regulatory approval, they may not gain adequate market acceptance among physicians, patients, healthcare payors and others in the medical community. The degree of market acceptance of any of our approved product candidates will depend on a number of factors, including:

- the efficacy and safety profile as demonstrated in clinical trials compared to alternative treatments;
- the timing of market introduction of the product candidate as well as competitive products;
- the clinical indications for which the product candidate is approved;
- restrictions on the use of our product candidates, such as boxed warnings or contraindications in labeling, or a REMS, if any, which may not be required of alternative treatments and competitor products;
- the potential and perceived advantages of product candidates over alternative treatments;
- the cost of treatment in relation to alternative treatments;
- the availability of coverage and adequate reimbursement by third-party payors, including government authorities, as well as pricing;
- the availability of the approved product candidate for use as a combination therapy;
- relative convenience and ease of administration;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the effectiveness of sales and marketing efforts;
- unfavorable publicity relating to our products or product candidates or similar approved products or product candidates in development by third parties; and
- the approval of other new therapies for the same indications.

If any of our product candidates is approved but does not achieve an adequate level of acceptance by physicians, hospitals, healthcare payors and patients, we may not generate or derive sufficient revenue from that product candidate and our financial results could be negatively impacted.

***We currently have no marketing and sales organization and have no experience as a company in marketing products. If we are unable to establish marketing and sales capabilities or enter into agreements with third parties to market and sell our product candidates, if approved, we may not be able to generate product revenue.***

We currently have no sales, marketing or distribution capabilities and have no experience as a company in marketing products. We currently intend to build a commercial infrastructure to support sales of our product candidates. We expect to manage sales, marketing and distribution through internal resources and third-party relationships. We will have to compete with other pharmaceutical and biotechnology companies to recruit, hire, train and retain marketing and sales personnel. While we may commit significant financial and management resources to commercial activities, we will also consider collaborating with one or more pharmaceutical companies to enhance our commercial capabilities.

If we are unable or decide not to establish internal sales, marketing and distribution capabilities, we will pursue arrangements with third-party sales, marketing, and distribution collaborators regarding the sales and marketing of our products, if approved. However, there can be no assurance that we will be able to establish or maintain such arrangements on favorable terms or if at all, or if we are able to do so, that these third-party arrangements will provide effective sales forces or marketing and distribution capabilities. Any revenue we receive will depend upon the efforts of such third parties, which may not be successful. We may have little or no control over the marketing and sales efforts of such third parties and our revenue from product sales may be lower than if we had commercialized our product candidates ourselves. We also face competition in our search for third parties to assist us with the sales and marketing efforts of our product candidates.

There can be no assurance that we will be able to develop in-house sales and distribution capabilities or establish or maintain relationships with third-party collaborators to commercialize any product in the United States or overseas.

***Our business entails a significant risk of product liability and if we are unable to obtain sufficient insurance coverage such inability could have an adverse effect on our business and financial condition.***

Our business exposes us to significant product liability risks inherent in the development, testing, manufacturing and marketing of therapeutic treatments. Product liability claims could delay or prevent completion of our development programs. If we succeed in marketing products, such claims could result in an FDA, EMA or other regulatory authority investigation of the safety and effectiveness of our products, our manufacturing processes and facilities or our marketing programs. FDA, EMA or other regulatory authority investigations could potentially lead to a recall of our products or more serious enforcement action, limitations on the approved indications for which they may be used or suspension or withdrawal of approvals. Regardless of the merits or eventual outcome, liability claims may also result in decreased demand for our products, injury to our reputation, costs to defend the related litigation, a diversion of management's time and our resources and substantial monetary awards to trial participants or patients. We currently have product liability insurance that we believe is appropriate for our stage of development and may need to obtain higher levels prior to marketing any of our product candidates, if approved. Any insurance we have or may obtain may not provide sufficient coverage against potential liabilities. Furthermore, clinical trial and product liability insurance is becoming increasingly expensive. As a result, we may be unable to obtain sufficient insurance at a reasonable cost to protect us against losses caused by product liability claims that could have an adverse effect on our business and financial condition.

***Any product candidates we develop may become subject to unfavorable third-party coverage and reimbursement policies, as well as pricing regulations.***

The availability and extent of coverage and adequate reimbursement by third-party payors, including government health administration authorities, private health coverage insurers, managed care organizations and other third-party payors is essential for most patients to be able to afford expensive

treatments. Sales of any of our product candidates that receive marketing approval will depend substantially, both in the United States and internationally, on the extent to which the costs of our product candidates will be covered and reimbursed by third-party payors. If coverage is not available, or is available only to limited indications or strict coverage criteria, we may not be able to successfully commercialize our product candidates. Even if coverage is provided, the approved reimbursement amount may not be high enough to allow us to establish or maintain pricing sufficient to realize an adequate return on our investment. Coverage and reimbursement may impact the demand for, or the price of, any product candidate for which we obtain marketing approval. If coverage and reimbursement are not available or reimbursement is available only to limited levels, we may not successfully commercialize any product candidate for which we obtain marketing approval. In addition, companion diagnostic tests require coverage and reimbursement separate and apart from the coverage and reimbursement for their companion pharmaceutical or biological products. Similar challenges to obtaining coverage and reimbursement, applicable to pharmaceutical or biological products, will apply to companion diagnostics.

There is significant uncertainty related to third-party payor coverage and reimbursement of newly approved products. In the United States, third-party payors, including private and governmental payors, such as the Medicare and Medicaid programs, play an important role in determining the extent to which new drugs will be covered and reimbursed. The Centers for Medicare & Medicaid Services (CMS), an agency within the U.S. Department of Health and Human Services (HHS) responsible for administering the Medicare program, determines whether and to what extent a new product will be covered and reimbursed under Medicare. The Medicare program is increasingly used as a model for how private payors and other governmental payors develop their coverage and reimbursement policies for drug products. One third-party payor's determination to provide coverage for a drug product, however, does not assure that other payors will also provide coverage for the product. As a result, the coverage determination process is often time-consuming and costly. This process will require us to provide scientific and clinical support for the use of our products to each third-party payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance.

For products administered under the supervision of a physician, obtaining coverage and adequate reimbursement may be particularly difficult because of the higher prices often associated with such drugs. Additionally, separate reimbursement for the product itself or the treatment or procedure in which the product is used may not be available, which may impact physician utilization. In addition, companion diagnostic tests require coverage and reimbursement separate and apart from the coverage and reimbursement for their companion pharmaceutical or biological products. Similar challenges to obtaining coverage and reimbursement, applicable to pharmaceutical or biological products, will apply to companion diagnostics.

Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. Further, such payors are increasingly challenging the price, examining the medical necessity and reviewing the cost effectiveness of medical product candidates. There may be significant delays in obtaining coverage and reimbursement for newly approved drugs. Third-party payors may limit coverage to specific product candidates on an approved list, known as a formulary, which might not include all FDA-approved drugs for a particular indication. We may need to conduct expensive pharmacoeconomic studies to demonstrate the medical necessity and cost effectiveness of our products. Nonetheless, our product candidates may not be considered medically necessary or cost effective. We cannot be sure that coverage and reimbursement will be available for any product that we commercialize and, if reimbursement is available, what the level of reimbursement will be.

Outside the United States, international operations are generally subject to extensive governmental price controls and other market regulations, and we believe the increasing emphasis on cost containment initiatives in Europe, Canada and other countries has and will continue to put pressure on the pricing and usage of therapeutics such as our product candidates. In many countries, particularly the countries of the

European Union, medical product prices are subject to varying price control mechanisms as part of national health systems. In these countries, pricing negotiations with governmental authorities can take considerable time after a product receives marketing approval. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our product candidate to other available therapies. In general, product prices under such systems are substantially lower than in the United States. Other countries allow companies to fix their own prices for products, but monitor and control company profits. Additional foreign price controls or other changes in pricing regulation could restrict the amount that we are able to charge for our product candidates. Accordingly, in markets outside the United States, the reimbursement for our products may be reduced compared with the United States and may be insufficient to generate commercially reasonable revenue and profits.

If we are unable to establish or sustain coverage and adequate reimbursement for any future product candidates from third-party payors, the adoption of those products and sales revenue will be adversely affected, which, in turn, could adversely affect the ability to market or sell those product candidates, if approved. Coverage policies and third-party payor reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

***We face substantial competition, which may result in others discovering, developing or commercializing products before or more successfully than we do.***

The development and commercialization of pharmaceutical products is highly competitive. We face competition with respect to our current product candidates, and will face competition with respect to any product candidates that we may seek to develop or commercialize in the future, from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. There are a number of large pharmaceutical and biotechnology companies that currently market and sell products or are pursuing the development of products for the treatment of the disease indications for which we are developing our product candidates. Some of these competitive products and therapies are based on scientific approaches that are similar to our approach, and others are based on entirely different approaches. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

There are a large number of pharmaceutical and biotechnology companies developing or marketing targeted treatments for cancer that would be competitive with the product candidates we are developing, if our product candidates are approved. Many of these companies are developing cancer therapeutics that are also kinase inhibitors.

If we are successful in developing ENTO, our lead product candidate, it may compete against product candidates that are currently in clinical development to the extent any such product candidates are approved, including: (i) HMPL-523, a SYK inhibitor being developed by Hutchison Medipharma Ltd. that is in Phase 1 evaluation in hematologic malignancies; (ii) product candidates in early clinical development that target the interaction between MLL and MENIN in MLL-r and AML patients with NPM1 mutations, which, if approved, could compete with ENTO, including (a) SNDX-5613, being developed by Syndax Pharmaceuticals, Inc. in a Phase 1 clinical trial as monotherapy in relapsed or refractory AML, and (b) KO-539, being developed by Kura Oncology, Inc. in a Phase 1 clinical trial as monotherapy in relapsed or refractory AML; and (iii) product candidates that may compete with ENTO by addressing the subset of AML patients with FLT3 mutations and are currently in development in combination with FLT3 inhibitors, including (a) venetoclax, a BCL-2 inhibitor being developed by Abbvie, (b) CPX-351, a liposomal formulation of daunorubicin and cytarabine being developed by Jazz Pharmaceuticals, and (c) CC-90009, a cereblon E3 ligase modulator being developed by Bristol-Myers Squibb. If we choose to develop, and



are successful in developing, LANRA as a follow-on compound to ENTO, we expect that LANRA would face competition from the same sources.

If we are successful in developing KB-0742, it may compete against various multi-CDK inhibitors that are currently in early-stage clinical development, including: AZD4573, being developed by AstraZeneca; TP-1287, being developed by Tolero Pharmaceuticals; CYC-065, being developed by Cyclacel Pharmaceuticals; Zotiraciclib, being developed by the National Cancer Institute; and Dinaciclib, being developed by Merck & Co.

We also expect that our product candidates, if approved, will compete with more established therapies, such as IC and HMAs to treat AML and other agents to treat MYC-amplified solid tumors and other transcriptionally addicted cancers.

Many of the companies against which we are competing or against which we may compete in the future have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining marketing approvals and marketing and selling approved products than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific, management and sales and marketing personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

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 side effects, are approved for broader indications or patient populations, are more convenient or are less expensive than any products that we may develop. Our competitors also may obtain FDA or other marketing approval for their products more rapidly than any approval we may obtain for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. In addition, our ability to compete may be affected in many cases by insurers or other third-party payors seeking to encourage the use of generic products. Generic products are currently on the market for some of the indications that we are pursuing, and additional products are expected to become available on a generic basis over the coming years. If our product candidates achieve marketing approval, we expect that they will be priced at a significant premium over any competitive generic products. The key competitive factors affecting the success of ENTO are likely to be its efficacy, safety, scope and limitations of marketing approval, and availability of reimbursement.

***A variety of risks associated with marketing our product candidates internationally could materially adversely affect our business.***

We may seek marketing approvals of our product candidates outside of the United States and, accordingly, we may be subject to additional risks related to operating in foreign countries if we obtain the necessary foreign marketing approvals, including:

- differing regulatory requirements in foreign countries, for example, no country other than the United States has a pathway for accelerated drug approval and so obtaining regulatory approvals outside of the United States will take longer and be more costly than obtaining approval in the United States;
- unexpected changes in tariffs, trade barriers, price and exchange controls and other regulatory requirements;
- economic weakness, including inflation, or political instability in particular foreign economies and markets;

- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- foreign taxes, including withholding of payroll taxes;
- foreign currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incident to doing business in another country;
- difficulties staffing and managing foreign operations;
- workforce uncertainty in countries where labor unrest is more common than in the United States;
- potential liability under the U.S. Foreign Corrupt Practices Act (FCPA) or comparable foreign regulations;
- challenges enforcing our contractual and intellectual property rights, especially in those foreign countries that do not respect and protect intellectual property rights to the same extent as the United States;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geo-political actions, including war and terrorism.

These and other risks associated with international operations may materially adversely affect our ability to attain or maintain profitable operations.

**Risks Related to Regulatory Approval and Other Legal Compliance Matters**

***We may be unable to obtain U.S. or foreign regulatory approvals and, as a result, may be unable to commercialize our product candidates.***

Rigorous preclinical testing and clinical trials and an extensive regulatory approval process must be successfully completed in the United States and in many foreign jurisdictions before a new drug can be marketed. Satisfaction of these and other regulatory requirements is costly, time consuming, uncertain and subject to unanticipated delays. We cannot provide any assurance that any product candidate we may develop will progress through required clinical testing and obtain the regulatory approvals necessary for us to begin selling them.

As a company, we have not conducted any clinical trials of any product candidates, nor have we managed the regulatory approval process with the FDA or any other regulatory authority. The time required to obtain approvals from the FDA and other regulatory authorities is unpredictable, and requires successful completion of extensive clinical trials which typically takes many years, depending upon the type, complexity and novelty of the product candidate. The standards that the FDA and its foreign counterparts use when evaluating clinical trial data can and often changes during drug development, which makes it difficult to predict with any certainty how they will be applied. We may also encounter unexpected delays or increased costs due to new government regulations, including future legislation or administrative action, or changes in FDA policy during the period of drug development, clinical trials and FDA regulatory review.

Any delay or failure in seeking or obtaining required approvals would have a material and adverse effect on our ability to generate revenue from the particular product candidate for which we are developing and seeking approval. Furthermore, any regulatory approval to market a drug may be subject to significant limitations on the approved uses or indications for which we may market the drug or the labeling or other restrictions. In addition, the FDA has the authority to require a REMS as part of approving a NDA, or after approval, which may impose further requirements or restrictions on the distribution or use of an approved drug. These requirements or restrictions might include limiting

prescribing to certain physicians or medical centers that have undergone specialized training, limiting treatment to patients who meet certain safe-use criteria and requiring treated patients to enroll in a registry. These limitations and restrictions may significantly limit the size of the market for the drug and affect reimbursement by third-party payors.

We are also subject to numerous foreign regulatory requirements governing, among other things, the conduct of clinical trials, manufacturing and marketing authorization, pricing and third-party reimbursement. The foreign regulatory approval process varies among countries, and generally includes all of the risks associated with FDA approval described above as well as risks attributable to the satisfaction of local regulations in foreign jurisdictions. Moreover, the time required to obtain approval may differ from that required to obtain FDA approval.

***We may in the future conduct clinical trials for our product candidates outside the United States, and the FDA and comparable foreign regulatory authorities may not accept data from such trials.***

We may in the future choose to conduct one or more clinical trials outside the United States, including in Europe. The acceptance of study data from clinical trials conducted outside the United States or another jurisdiction by the FDA or comparable foreign regulatory authority may be subject to certain conditions or may not be accepted at all. In cases where data from foreign clinical trials are intended to serve as the basis for marketing approval in the United States, the FDA will generally not approve the application on the sole basis of foreign data unless (i) the data are applicable to the U.S. population and U.S. medical practice; (ii) the trials were performed by clinical investigators of recognized competence; and (iii) the data are considered valid without the need for an on-site inspection by the FDA or, if the FDA considers such an inspection to be necessary, the FDA is able to validate the data through an on-site inspection or other appropriate means. Otherwise, for studies that are conducted at sites outside of the United States and not subject to an IND and which are intended to support a marketing application, the FDA requires the clinical trial to have been conducted in accordance with good clinical practice (GCP) requirements and the FDA must be able to validate the data from the clinical trial through an onsite inspection if it deems such inspection necessary. Additionally, the FDA's clinical trial requirements, including sufficient size of patient populations and statistical powering, must be met. Many foreign regulatory authorities have similar approval requirements. In addition, such foreign trials would be subject to the applicable local laws of the foreign jurisdictions where the trials are conducted. There can be no assurance that the FDA or any comparable foreign regulatory authority will accept data from trials conducted outside of the United States or the applicable jurisdiction. If the FDA or any comparable foreign regulatory authority does not accept such data, it would result in the need for additional trials, which could be costly and time-consuming, and which may result in product candidates that we may develop not receiving approval for commercialization in the applicable jurisdiction.

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

Obtaining and maintaining regulatory approval of our product candidates in one jurisdiction does not guarantee that we will be able to obtain or maintain regulatory approval in any other jurisdiction. For example, even if the FDA grants regulatory approval of a product candidate, comparable regulatory authorities in foreign jurisdictions must also approve the manufacturing, marketing and promotion and reimbursement of the product candidate in those countries. However, a failure or delay in obtaining regulatory approval in one the regulatory approval process in others. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from those in the United States, including additional preclinical studies or clinical trials as clinical trials 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.

Obtaining foreign regulatory approvals and establishing and maintaining 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 or any future collaborator fail to comply with the regulatory requirements in international markets or fail to 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.

***Even if our product candidates receive regulatory approval, they will be subject to significant post-marketing regulatory requirements and oversight. Additionally, our product candidates, if approved, could be subject to labeling and other restrictions on marketing or withdrawal from the market, and we may be subject to penalties if we fail to comply with regulatory requirements or if we experience unanticipated problems with our product candidates, when and if any of them are approved.***

Following any regulatory approvals, our products will be subject to extensive governmental regulations relating to, among other things, research, testing, development, manufacturing, safety, efficacy, approval, recordkeeping, reporting, labeling, storage, packaging, advertising and promotion, pricing, marketing and distribution of drugs. Any regulatory approvals that we may receive for our product candidates will require the submission of reports to regulatory authorities and surveillance to monitor the safety and efficacy of the product candidate, may contain significant limitations related to use restrictions for specified age groups, warnings, precautions or contraindications, and may include burdensome post-approval study or risk management requirements. For example, the FDA may require a REMS in order to approve our product candidates, which could entail requirements for a medication guide, physician training and 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 foreign regulatory authorities approve our product candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion, import, export and recordkeeping for our product candidates 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 on-going compliance with cGMPs and GCP for any clinical trials that we conduct post-approval. In addition, manufacturers of drug products and their facilities are subject to continual review and periodic, unannounced inspections by the FDA and other regulatory authorities for compliance with cGMP regulations and standards. If we or a regulatory agency discover previously unknown problems with a product, such as adverse events of unanticipated severity or frequency, or problems with the facilities where the product is manufactured, a regulatory agency may impose restrictions on that product, the manufacturing facility or us, including requiring recall or withdrawal of the product from the market or suspension of manufacturing. In addition, failure to comply with FDA and comparable foreign regulatory requirements may subject our company to administrative or judicially imposed sanctions, including:

- delays in or the rejection of product approvals;
- restrictions on our ability to conduct clinical trials, including full or partial clinical holds on ongoing or planned trials;
- restrictions on the products, manufacturers or manufacturing process;
- warning or untitled letters;
- civil and criminal penalties;
- injunctions;
- suspension or withdrawal of regulatory approvals;
- product seizures, detentions or import bans;

- voluntary or mandatory product recalls and publicity requirements;
- total or partial suspension of production; and
- imposition of restrictions on operations, including costly new manufacturing requirements.

The occurrence of any event or penalty described above may inhibit our ability to commercialize our product candidates and generate revenue and could require us to expend significant time and resources in response and could generate negative publicity.

The FDA's and other regulatory authorities' policies may change, and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. 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.

We also cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative or executive action, either in the United States or abroad. For example, certain policies of the current U.S. administration may impact our business and industry. Namely, the current U.S. administration has taken several executive actions, including the issuance of a number of Executive Orders, that could impose significant burdens on, or otherwise materially delay, the FDA's ability to engage in routine regulatory and oversight activities such as implementing statutes through rulemaking, issuance of guidance, and review and approval of marketing applications. It is difficult to predict how these executive actions, including the Executive Orders, will be implemented, and the extent to which they will impact the FDA's ability to exercise its regulatory authority. If these executive actions impose constraints on FDA's ability to engage in oversight and implementation activities in the normal course, our business may be negatively impacted.

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, which would adversely affect our business, prospects, financial condition and results of operations.

***The FDA and other regulatory agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses.***

If any of our product candidates are approved and we are found to have improperly promoted off-label uses of those products, we may become subject to significant liability. The FDA and other regulatory agencies strictly regulate the promotional claims that may be made about prescription products, such as our product candidates, if approved. In particular, a product may not be promoted for uses that are not approved by the FDA or such other regulatory agencies as reflected in the product's approved labeling. If we receive marketing approval for a product candidate, physicians may nevertheless prescribe it to their patients in a manner that is inconsistent with the approved label. If we are found to have promoted such off-label uses, we may become subject to significant liability. The U.S. federal government has levied large civil and criminal fines against companies for alleged improper promotion of off-label use and has enjoined several companies from engaging in off-label promotion. The FDA has also requested that companies enter into consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed. If we cannot successfully manage the promotion of our product candidates, if approved, we could become subject to significant liability, which would materially adversely affect our business and financial condition.

***If we are required by the FDA to obtain approval of a companion diagnostic test in connection with approval of any of our product candidates, and we do not obtain or face delays in obtaining FDA***

**approval of a diagnostic device, we will not be able to commercialize such product candidate and our ability to generate revenue will be materially impaired.**

If safe and effective use of any of our product candidates depends on an *in vitro* diagnostic that is not otherwise commercially available, then the FDA generally will require approval or clearance of that diagnostic, known as a companion diagnostic, at the same time that the FDA approves our product candidates if at all. If a satisfactory companion diagnostic is not commercially available, we may be required to create or obtain one that would be subject to regulatory approval requirements. The process of obtaining or creating such diagnostic is time consuming and costly.

Companion diagnostics are developed in conjunction with clinical programs for the associated therapeutic product candidate and are subject to regulation as medical devices by the FDA and comparable regulatory authorities, and, to date, the FDA has required premarket approval of all companion diagnostics for cancer therapies. The approval of a companion diagnostic as part of the therapeutic product's labeling limits the use of the therapeutic product to only those patients who express the specific genetic alteration that the companion diagnostic was developed to detect.

If the FDA or a comparable foreign regulatory authority requires approval of a companion diagnostic for any of our product candidates, whether before or after it obtains marketing approval, we, and/or future collaborators, may encounter difficulties in developing and obtaining approval for such product candidate. Any delay or failure by us or third-party collaborators to develop or obtain regulatory approval of a companion diagnostic could delay or prevent approval or continued marketing of such product candidate.

We may also experience delays in developing a sustainable, reproducible and scalable manufacturing process for the companion diagnostic or in transferring that process to commercial partners or negotiating insurance reimbursement plans, all of which may prevent us from completing our clinical trials or commercializing our product candidate, if approved, on a timely or profitable basis, if at all.

**Disruptions at the FDA, the SEC and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire and retain key leadership and other personnel, or otherwise prevent new or modified products from being developed, approved or commercialized in a timely manner or at all, or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our business.**

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory, and policy changes, and other events that may otherwise affect the FDA's ability to perform routine functions. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of the SEC, and other government agencies on which our operations may rely, including those that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA and other agencies may also slow the time necessary for new drugs to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, in recent years, including in 2018 and 2019, the U.S. government shut down several times and certain regulatory agencies, such as the FDA and the SEC, had to furlough critical employees and stop critical activities. Separately, in response to the COVID-19 pandemic, on March 10, 2020 the FDA announced its intention to postpone most inspections of foreign manufacturing facilities and products through April 2020. On March 18, 2020, the FDA temporarily postponed routine surveillance inspections of domestic manufacturing facilities and provided guidance regarding the conduct of clinical trials. Subsequently, on July 10, 2020 the FDA announced its intention to resume certain on-site inspections of domestic manufacturing facilities subject to a risk-based prioritization system. The FDA intends to use this risk-based assessment system to identify the categories of regulatory activity that can occur within a given geographic area, ranging from mission critical inspections to resumption of all

regulatory activities. Regulatory authorities outside the United States may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic. If a prolonged government shutdown occurs, or if global health concerns continue to prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Further, after this offering in our operations as a public company, future government shutdowns or delays could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations.

***We may attempt to secure approval from the FDA or comparable foreign regulatory authorities through the use of accelerated approval pathways. If we are unable to obtain such approval, we may be required to conduct additional preclinical studies or clinical trials beyond those that we contemplate, which could increase the expense of obtaining, and delay the receipt of, necessary marketing approvals. Even if we receive accelerated approval from the FDA, if our confirmatory trials do not verify clinical benefit, or if we do not comply with rigorous post-marketing requirements, the FDA may seek to withdraw accelerated approval.***

We may in the future seek an accelerated approval for our one or more of our product candidates. Under the accelerated approval program, the FDA may grant accelerated approval to a product candidate designed to treat a serious or life-threatening condition that provides meaningful therapeutic benefit over available therapies upon a determination that the product candidate has an effect on a surrogate endpoint, such as MRD negative CR, or intermediate clinical endpoint that is reasonably likely to predict clinical benefit. The FDA considers a clinical benefit to be a positive therapeutic effect that is clinically meaningful in the context of a given disease, such as irreversible morbidity or mortality. For the purposes of accelerated approval, a surrogate endpoint is a marker, such as a laboratory measurement, radiographic image, physical sign, or other measure that is thought to predict clinical benefit, but is not itself a measure of clinical benefit. An intermediate clinical endpoint is a clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit. If granted, accelerated approval is usually contingent on the sponsor's agreement to conduct additional post-approval confirmatory studies to verify and describe the drug's clinical benefit. If such post-approval studies fail to confirm the drug's clinical benefit, the FDA may withdraw its approval of the drug. 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. Even if we do receive accelerated approval, we may not experience a faster development or regulatory review or approval process, and receiving accelerated approval does not provide assurance of ultimate FDA approval.

Prior to seeking accelerated approval for any of our product candidates, we intend to seek feedback from the FDA and will otherwise evaluate our ability to seek and receive accelerated approval. There can be no assurance that after our evaluation of the feedback and other factors we will decide to pursue or submit an NDA for accelerated approval or any other form of expedited development, review or approval. Similarly, there can be no assurance that after subsequent FDA feedback we will continue to pursue or apply for accelerated approval or any other form of expedited development, review or approval, even if we initially decide to do so.

***We may face difficulties from changes to current regulations and future legislation.***

Existing regulatory policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. 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.

For example, in March 2010, the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively, the ACA), was passed, which substantially changed the way healthcare is financed by both the government and private insurers, and significantly impacts the U.S. pharmaceutical industry. There remain judicial and Congressional challenges to certain aspects of the ACA, as well as efforts by the Trump administration to repeal or replace certain aspects of the ACA. Since January 2017, President Trump has signed several Executive Orders and other directives 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, several bills affecting the implementation of certain taxes under the ACA have passed. On December 22, 2017, President Trump signed into law federal tax legislation commonly referred to as the Tax Cuts and Jobs Act (Tax Act), which 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". In addition, the 2020 federal spending package permanently eliminated, effective January 1, 2020, the ACA-mandated "Cadillac" tax on high-cost employer-sponsored health coverage and medical device tax and, effective January 1, 2021, also eliminates the health insurer tax. The Bipartisan Budget Act of 2018 (BBA), among other things, amended the ACA, effective January 1, 2019, to close the coverage gap in most Medicare Part D drug plans. In December 2018, CMS published a new final rule permitting further collections and payments to and from certain ACA-qualified health plans and health insurance issuers under the ACA risk adjustment program in response to the outcome of federal district court litigation regarding the method CMS uses to determine this risk adjustment. 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 Act. On December 18, 2019, the U.S. Court of Appeals for the 5th Circuit ruled that the individual mandate was unconstitutional and remanded the case back to the District Court to determine whether the remaining provisions of the ACA are invalid as well. On March 2, 2020, the U.S. Supreme Court granted the petitions for writs of certiorari to review the case, although it is unclear when a decision will be made or how the Supreme Court will rule. In addition, there may be other efforts to challenge, repeal or replace the ACA. We are continuing to monitor any changes to the ACA that, in turn, may potentially impact our business in the future.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. These changes included aggregate reductions to Medicare payments to providers of 2% per fiscal year, effective April 1, 2013, which, due to subsequent legislative amendments, will stay in effect through 2030 unless additional congressional action is taken. The Coronavirus Aid, Relief and Economic Security Act (CARES Act), which was signed into law in March 2020 and is designed to provide financial support and resources to individuals and businesses affected by the COVID-19 pandemic, suspended the 2% Medicare sequester from May 1, 2020 through December 31, 2020, and extended the sequester by one year, through 2030. In January 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, reduced Medicare payments to several providers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. These new laws may result in additional reductions in Medicare and other healthcare funding, which could have a material adverse effect on customers for our drugs, if approved, and accordingly, our financial operations.

Moreover, there has been heightened governmental scrutiny recently over the manner in which drug manufacturers set prices for their marketed products, which has resulted in several Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drug products. For example, at the federal level, the Trump administration released a "Blueprint" to lower drug prices and reduce out of pocket costs of drugs that contains additional proposals to increase manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize



manufacturers to lower the list price of their products and reduce the out of pocket costs of drug products paid by consumers. On March 10, 2020, the Trump administration sent "principles" for drug pricing to Congress, calling for legislation that would among other things, cap Medicare Part D beneficiary out-of-pocket pharmacy expenses, provide an option to cap Medicare Part D beneficiary monthly out-of-pocket expenses, and place limits on pharmaceutical price increases. Additionally, the Trump administration's budget proposal for the fiscal year 2021 includes a \$135 billion allowance to support legislative proposals seeking to reduce drug prices, increase competition, lower out-of-pocket drug costs for patients, and increase patient access to lower-cost generic and biosimilar drugs. Although a number of these and other measures may require additional authorization to become effective, Congress and the Trump administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs. At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological 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, designed to encourage importation from other countries and bulk purchasing.

We expect that the ACA, as well as other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any approved product. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our product candidates. It is possible that additional governmental action is taken to address the COVID-19 pandemic.

Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for biotechnology products. We cannot be sure whether additional legislative changes will be enacted, or whether FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals of our product candidates, if any, may be. In addition, increased scrutiny by Congress of the FDA's approval process may significantly delay or prevent marketing approval, as well as subject us to more stringent product labeling and post-marketing testing and other requirements.

***Our relationships with healthcare professionals, clinical investigators, CROs and third party payors in connection with our current and future business activities may be subject to federal and state healthcare fraud and abuse laws, false claims laws, transparency laws, and government price reporting, which could expose us to, among other things, criminal sanctions, administrative and civil penalties, contractual damages, exclusion from governmental healthcare programs, reputational harm, administrative burdens and diminished profits and future earnings.***

Healthcare providers and third-party payors play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our current and future arrangements with healthcare professionals, clinical investigators, CROs, third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute our products for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations include the following:

- the federal Anti-Kickback Statute prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under a federal healthcare program such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the federal Anti-Kickback Statute or specific intent to violate it in order to have committed a violation.

- the federal false claims laws, including the civil False Claims Act, which can be enforced by private citizens through civil whistleblower or qui tam actions, and civil monetary penalties laws, prohibit individuals or entities from, among other things, knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government. 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;
- the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), prohibits, among other things, executing or attempting to execute a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- the federal Physician Payments Sunshine Act requires applicable manufacturers of covered 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 annually report to CMS information regarding payments and other transfers of value to physicians, as defined by such law, and teaching hospitals, as well as information regarding ownership and investment interests held by physicians and their immediate family members. Beginning in 2022, applicable manufacturers also will be required to report such information regarding payments and transfers of value provided, as well as ownership and investment interests held, during the previous year to certain other healthcare providers, such as physician assistants and nurse practitioners. The information reported is publicly available on a searchable website, with disclosure required annually;
- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, that may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; and
- some state laws that require biotechnology companies to comply with the biotechnology industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government and may require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; some state laws that require biotechnology companies to report information on the pricing of certain drug products; and certain state and local laws that require the registration of pharmaceutical sales representatives.

Efforts to ensure that our current and future business arrangements with third parties will comply with applicable healthcare laws and regulations will involve on-going substantial costs. It is possible that governmental authorities will conclude that our business practices, including, without limitation, our consulting agreements with certain physicians, who may be in a position to order and/or influence the purchase of our product candidates, if approved, and are compensated in the form of stock or stock options for services provided to us, may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant penalties, including civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, exclusion from participation in government funded healthcare programs, such as Medicare and Medicaid, integrity oversight and reporting obligations, contractual damages, reputational harm, diminished profits and future earnings and the curtailment or restructuring of our operations. Defending against any such actions can be costly, time-consuming and may require significant financial and personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired. Further, if any of the physicians or other healthcare providers or entities with whom we expect to do business is found to be not

in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusion from government funded healthcare programs.

***We are or may become subject to a variety of stringent privacy and data security laws, regulations, policies and contractual obligations related to data privacy and security, and changes in such laws, regulations, policies and contractual obligations and our failure, or any failure by our third-party vendors, collaborators, contractors or consultants, to comply with them could harm our business.***

We maintain and process, and our third-party vendors, collaborators, contractors and consultants maintain and process on our behalf, a large quantity of sensitive information, including confidential business, personal and patient health information in connection with our preclinical studies and our employees, and are subject to data privacy and protection laws and regulations that apply to the collection, transmission, storage and use of personally identifying information, which among other things, impose certain requirements relating to the privacy, security and transmission of personal information. Failure by us or our third-party vendors, collaborators, contractors and consultants to comply with any of these laws and regulations could result in enforcement action against us, including fines, imprisonment of company officials and public censure, claims for damages by affected individuals, damage to our reputation and loss of goodwill, any of which could have a material adverse effect on our business, financial condition, results of operations or prospects.

In the United States, there are numerous federal and state privacy and data security laws and regulations governing the collection, use, disclosure and protection of personal information, including federal and state health information privacy laws, federal and state security breach notification laws, and federal and state consumer protection laws. Each of these laws is subject to varying interpretations and the legislative landscape is constantly evolving. In particular, regulations promulgated pursuant to HIPAA establish privacy and security standards that limit the use and disclosure of individually identifiable health information, or protected health information, and require the implementation of administrative, physical and technological safeguards to protect the privacy of protected health information and ensure the confidentiality, integrity and availability of electronic protected health information. Determining whether protected health information has been handled in compliance with applicable privacy standards and our contractual obligations can be complex and may be subject to changing interpretation. Further, if we fail to comply with applicable privacy laws, including applicable HIPAA privacy and security standards, we could face civil and criminal penalties. The HHS has the discretion to impose penalties without attempting to first resolve violations. HHS enforcement activity can result in financial liability and reputational harm, and responses to such enforcement activity can consume significant internal resources. In addition, state attorneys general are authorized to bring civil actions seeking either injunctions or damages in response to violations that threaten the privacy of state residents. We cannot be sure how these regulations will be interpreted, enforced or applied to our operations. In addition to the risks associated with enforcement activities and potential contractual liabilities, our ongoing efforts to comply with evolving laws and regulations at the federal and state level may be costly and require ongoing modifications to our policies, procedures and systems.

Data privacy remains an evolving landscape at both the domestic and international level, with new regulations coming into effect. For example, in June 2018 the State of California enacted the California Consumer Privacy Act of 2018 (CCPA), which went into effect on January 1, 2020 and requires companies that process information on California residents to make new disclosures to consumers about their data collection, use and sharing practices, allow consumers to opt out of certain data sharing with third parties and provide a new cause of action for data breaches. Moreover, although the CCPA includes limited exceptions from its prescriptions, including exceptions for personal health information collected by covered entities or business associates subject to HIPAA, among others, the CCPA may regulate or impact our processing of personal information depending on the context. Moreover, certain exceptions built into the CCPA are set to sunset at the end of the 2020, in particular with regard to business contact and employee personal information. It remains unclear what, if any, modifications will be made to this legislation or how it will be interpreted. Additionally, a new ballot initiative, the California Privacy Rights Act or, the CPRA, will be included on the November 2020 ballot in California. If voted into law by

California residents, the CPRA would impose additional data protection obligations on companies doing business in California, including additional consumer rights processes, limitations on data uses, and opt outs for certain uses of sensitive data. It would also create a new California data protection agency to enforce the law, and require certain businesses with higher risk privacy and security practices to submit annual audits to the agency on a regular basis. The CPRA would likely result in broader increased regulatory scrutiny of California for businesses' privacy and security practices, and could lead to a further rise in data protection litigation. If passed, the majority of CPRA provisions would go into effect in January 2023, and would require additional compliance investment and potential business process changes in the meantime.

Some observers have noted that the CCPA could mark the beginning of a trend toward more stringent privacy legislation in the U.S. Indeed, a number of state legislatures are considering privacy and/or data protection laws, which could increase our potential liability and adversely affect our business. The interplay of federal and state laws (e.g., in addition to California, Massachusetts and Nevada have adopted laws requiring the implementation of certain security measures to protect personal information, and all 50 states and the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam have adopted breach notification laws) may be subject to varying interpretations by courts and government agencies, creating complex compliance issues for us and our customers and potentially exposing us to additional expense, adverse publicity and liability. Further, as regulatory focus on privacy, security and data use issues in the U.S. continues to increase and laws and regulations concerning the protection of personal information expand and become more complex, these potential risks to products and services could intensify.

In addition, in May 2018, the General Data Protection Regulation (GDPR), took effect in the European Economic Area (EEA). The GDPR governs the collection, use, disclosure, transfer or other processing of personal data of European persons, replacing data protection laws issued by each European Union (EU) member state based on the Directive 95/46/EC (Directive). Unlike the Directive, which needed to be transposed at a national level, the GDPR text is directly applicable in each EU member state, resulting in a more uniform application of data privacy laws across the EU. Among other things, the GDPR imposes new requirements regarding the security of personal data and notification of data processing obligations to the competent national data processing authorities, changes the lawful bases on which personal data can be processed, expands the definition of personal data and requires changes to informed consent practices, as well as more detailed notices for clinical trial subjects and investigators. In addition, the GDPR increases the scrutiny of transfers of personal data from clinical trial sites located in the EEA to the United States and other jurisdictions that the European Commission does not recognize as having "adequate" data protection laws. For example, following a decision of the Court of Justice of the EU in October 2015, the transfer of personal data to U.S. companies that had certified as members of the U.S. Safe Harbor Scheme, was declared invalid. In July 2016, the European Commission adopted the EU-U.S. Privacy Shield Framework (the Privacy Shield Framework), which replaced the U.S. Safe Harbor Scheme. On July 16, 2020, the Court of Justice of the European Union issued a decision that declared the Privacy Shield Framework invalid, and will also result in additional compliance obligations for companies that implement standard contractual clauses to ensure a valid basis for the transfer of personal data outside of Europe. Additionally, other countries (e.g., Australia and Japan) have adopted certain legal requirements for cross-border transfers of personal information. These obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other requirements or our practices. The GDPR imposes substantial fines for breaches and violations (up to the greater of €20 million or 4% of our global turnover). The GDPR also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies and obtain compensation for damages resulting from violations of the GDPR. Further, while the United Kingdom enacted the Data Protection Act 2018 in May 2018 that supplements the GDPR and has publicly announced that it will continue to regulate the protection of personal data in the same way post-Brexit, Brexit has created uncertainty with regard to the future of regulation of data protection in the United Kingdom. Some countries also are considering or have passed legislation requiring local

storage and processing of data, or similar requirements, which could increase the cost and complexity of delivering our products and services.

It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our practices and our efforts to comply with the evolving data protection rules may be unsuccessful. In addition to the possibility of fines, lawsuits, regulatory investigations, public censure, other claims and penalties, and significant costs for remediation and damage to our reputation, we could be materially and adversely affected if legislation or regulations are expanded to require changes in our data processing practices and policies or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively impact our business. Compliance with these and any other applicable privacy and data security laws and regulations is a rigorous and time-intensive process, and we may be required to put in place additional mechanisms ensuring compliance with the new data protection rules. If we or our third-party vendors, collaborators, contractors and consultants fail to comply with any such laws or regulations, we may face regulatory investigations, significant fines and penalties, reputational damage or be required to change our business practices, all of which could adversely affect our business, financial condition and results of operations. Any inability to adequately address data privacy or security-related concerns, even if unfounded, or to comply with applicable laws, regulations, standards and other obligations relating to data privacy and security, could result in additional cost and liability to us, harm our reputation and brand, damage our relationships with customers and have a material and adverse impact on our business. Even if we are not determined to have violated these laws, government investigations into these issues typically require the expenditure of significant resources and generate negative publicity, which could harm our business, financial condition, results of operations or prospects.

***The withdrawal of the United Kingdom from the European Union, commonly referred to as "Brexit," may adversely impact our ability to obtain regulatory approvals of our product candidates in the European Union, result in restrictions or imposition of taxes and duties for importing our product candidates into the European Union, and may require us to incur additional expenses in order to develop, manufacture and commercialize our product candidates in the European Union.***

Following the result of a referendum in 2016, the United Kingdom left the European Union on January 31, 2020, commonly referred to as "Brexit." Pursuant to the formal withdrawal arrangements agreed between the United Kingdom and the European Union, the United Kingdom will be subject to a transition period until December 31, 2020 (the Transition Period), during which EU rules will continue to apply. Negotiations between the United Kingdom and the European Union are expected to continue in relation to the customs and trading relationship between the United Kingdom and the European Union following the expiry of the Transition Period.

Since a significant proportion of the regulatory framework in the United Kingdom applicable to our business and our product candidates is derived from EU directives and regulations, Brexit, following the Transition Period, could materially impact the regulatory regime with respect to the development, manufacture, importation, approval and commercialization of our product candidates in the United Kingdom or the European Union. For example, as a result of the uncertainty surrounding Brexit, the EMA relocated to Amsterdam from London. Following the Transition Period, the United Kingdom will no longer be covered by the centralized procedures for obtaining EU-wide marketing authorization from the EMA and, unless a specific agreement is entered into, a separate process for authorization of drug products, including our product candidates, will be required in the United Kingdom, the potential process for which is currently unclear. Any delay in obtaining, or an inability to obtain, any marketing approvals, as a result of Brexit or otherwise, would prevent us from commercializing our product candidates in the United Kingdom or the European Union and restrict our ability to generate revenue and achieve and sustain profitability. In addition, we may be required to pay taxes or duties or be subjected to other hurdles in connection with the importation of our product candidates into the European Union, or we may incur expenses in establishing a manufacturing facility in the European Union in order to circumvent such hurdles. If any of these outcomes occur, we may be forced to restrict or delay efforts to seek regulatory approval in the United Kingdom or the European Union for our product candidates, or incur significant additional expenses to operate our business, which could significantly and materially harm or delay our

ability to generate revenues or achieve profitability of our business. Any further changes in international trade, tariff and import/export regulations as a result of Brexit or otherwise may impose unexpected duty costs or other non-tariff barriers on us. These developments, or the perception that any of them could occur, may significantly reduce global trade and, in particular, trade between the impacted nations and the United Kingdom.

***Our employees, independent contractors, consultants, commercial collaborators, principal investigators, CROs, suppliers and vendors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.***

We are exposed to the risk that our employees, independent contractors, consultants, commercial collaborators, principal investigators, CROs, suppliers and vendors may engage in misconduct or other improper activities. Misconduct by these parties could include failures to comply with FDA requirements, provide accurate information to the FDA, comply with federal and state health care fraud and abuse laws and regulations, accurately report financial information or data or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the health care 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. Misconduct by these parties could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to identify and deter misconduct by these 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. 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 significant penalties, including civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, exclusion from participation in government funded healthcare programs, such as Medicare and Medicaid, integrity oversight and reporting obligations, contractual damages, reputational harm, diminished profits and future earnings and the curtailment or restructuring of our operations.

***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 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 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 hazardous and flammable materials, including chemicals and biological materials.

In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or commercialization efforts. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

***Our research and development activities could be affected or delayed as a result of possible restrictions on animal testing.***

Certain laws and regulations require us to test our product candidates on animals before initiating clinical trials involving humans. Animal testing activities have been the subject of controversy and adverse publicity. Animal rights groups and other organizations and individuals have attempted to stop animal testing activities by pressing for legislation and regulation in these areas and by disrupting these activities through protests and other means. To the extent the activities of these groups are successful, our research and development activities may be interrupted, delayed or become more expensive.

***Our business activities may be subject to the FCPA and similar anti-bribery and anti-corruption laws of other countries in which we operate, as well as U.S. and certain foreign export controls, trade sanctions, and import laws and regulations. Compliance with these legal requirements could limit our ability to compete in foreign markets and subject us to liability if we violate them.***

If we further expand our operations outside of the United States, we must dedicate additional resources to comply with numerous laws and regulations in each jurisdiction in which we plan to operate. Our business activities may be subject to the FCPA and similar anti-bribery or anti-corruption laws, regulations or rules of other countries in which we operate. The FCPA generally prohibits companies and their employees and third party intermediaries from offering, promising, giving or authorizing the provision of anything of value, either directly or indirectly, to a non-U.S. government official in order to influence official action or otherwise obtain or retain business. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and maintain an adequate system of internal accounting controls. Our business is heavily regulated and therefore involves significant interaction with public officials, including officials of non-U.S. governments. Additionally, in many other countries, hospitals owned and operated by the government, and doctors and other hospital employees would be considered foreign officials under the FCPA. Recently the SEC and Department of Justice have increased their FCPA enforcement activities with respect to biotechnology and pharmaceutical companies. There is no certainty that all of our employees, agents or contractors, or those of our affiliates, will comply with all applicable laws and regulations, particularly given the high level of complexity of these laws. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers or our employees, disgorgement, and other sanctions and remedial measures, and prohibitions on the conduct of our business. Any such violations could include prohibitions on our ability to offer our products in one or more countries and could materially damage our reputation, our brand, our international activities, our ability to attract and retain employees and our business, prospects, operating results and financial condition.

In addition, our products and activities may be subject to U.S. and foreign export controls, trade sanctions and import laws and regulations. Governmental regulation of the import or export of our products, or our failure to obtain any required import or export authorization for our products, when applicable, could harm our international sales and adversely affect our revenue. Compliance with applicable regulatory requirements regarding the export of our products may create delays in the introduction of our products in international markets or, in some cases, prevent the export of our products to some countries altogether. Furthermore, U.S. export control laws and economic sanctions prohibit the shipment of certain products and services to countries, governments, and persons targeted by U.S. sanctions. If we fail to comply with export and import regulations and such economic sanctions, penalties could be imposed, including fines and/or denial of certain export privileges. Moreover, any new export or import restrictions, new legislation or shifting approaches in the enforcement or scope of existing regulations, or in the countries, persons, or products targeted by such regulations, could result in decreased use of our products by, or in our decreased ability to export our products to existing or potential customers with international operations. Any decreased use of our products or limitation on our ability to export or sell access to our products would likely adversely affect our business.

## Risks Related to Our Intellectual Property

### *Our success depends on our ability to protect our intellectual property and our proprietary technologies.*

Our commercial success depends in part on our ability to obtain and maintain patent protection and trade secret protection for our product candidates, proprietary technologies and their uses as well as our ability to operate without infringing the proprietary rights of others. If we or our licensors are unable to protect our intellectual property rights or if our intellectual property rights are inadequate for our technology or our product candidates, our competitive position could be harmed. We generally seek to protect our proprietary position by filing patent applications in the United States and abroad related to our product candidates, proprietary technologies and their uses that are important to our business. Our patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless, and until, patents issue from such applications, and then only to the extent the issued claims cover the technology. There can be no assurance that our patent applications will result in patents being issued or that issued patents will afford sufficient protection against competitors with similar technology, nor can there be any assurance that the patents if issued will not be infringed, designed around, invalidated or rendered unenforceable by third parties. Even issued patents may later be found invalid or unenforceable or may be modified or revoked in proceedings instituted by third parties before various patent offices or in courts. The degree of future protection for our proprietary rights is uncertain. Only limited protection may be available and may not adequately protect our rights or permit us to gain or keep any competitive advantage. These uncertainties and/or limitations in our ability to properly protect the intellectual property rights relating to our product candidates could have a material adverse effect on our financial condition and results of operations.

Although we have issued patents in the United States and foreign countries, we cannot be certain that the claims in our other U.S. pending patent applications, corresponding international patent applications and patent applications in certain foreign countries will be considered patentable by the United States Patent and Trademark Office (USPTO), courts in the United States or by the patent offices and courts in foreign countries, nor can we be certain that the claims in our issued patents will not be found invalid or unenforceable if challenged.

The patent application process is subject to numerous risks and uncertainties, and there can be no assurance that we or our licensors or any of our potential future collaborators will be successful in protecting our technologies and product candidates by obtaining and defending patents. These risks and uncertainties include the following:

- the USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions during the patent process, the noncompliance with which can result in abandonment or lapse of a patent or patent application, and partial or complete loss of patent rights in the relevant jurisdiction;
- patent applications may not result in any patents being issued;
- patents may be challenged, invalidated, modified, revoked, circumvented, found to be unenforceable or otherwise may not provide any competitive advantage;
- our competitors, many of whom have substantially greater resources than we or our licensors do and many of whom have made significant investments in competing technologies, may seek or may have already obtained patents that will limit, interfere with or block our ability to make, use and sell our product candidates;
- there may be significant pressure on the U.S. government and international governmental bodies to limit the scope of patent protection both inside and outside the United States for disease treatments that prove successful, as a matter of public policy regarding worldwide health concerns; and



- countries other than the United States may have patent laws less favorable to patentees than those upheld by U.S. courts, allowing foreign competitors a better opportunity to create, develop and market competing products.

The patent prosecution process is also expensive and time-consuming, and we or our licensors may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner or in all jurisdictions where protection may be commercially advantageous. It is also possible that we or our licensors may not identify patentable aspects of our research and development output before it is too late to obtain patent protection. Moreover, in some circumstances, we do not have the right to control, or are subject to certain obligations with respect to, the preparation, filing and prosecution of patent applications, or to maintain the patents, directed to technology that we license or acquire, including those from our licensors and from third parties. We also may require the cooperation of our licensors, whether current or future, in order to enforce the licensed patent rights, and such cooperation may not be provided. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business. We cannot be certain that patent prosecution and maintenance activities by our licensors have been or will be conducted in compliance with applicable laws and regulations, which may affect the validity and enforceability of such patents or any patents that may issue from such applications. If they fail to do so, this could cause us to lose rights in any applicable intellectual property that we in-license, and as a result our ability to develop and commercialize products or product candidates may be adversely affected and we may be unable to prevent competitors from making, using and selling competing products. Furthermore, the terms of the license agreements with some of our licensors may be non-exclusive, such that we would have no rights to enforce the licensed intellectual property against a competitor.

In addition, although we enter into non-disclosure and confidentiality agreements with parties who have access to patentable aspects of our research and development output, such as our employees, outside scientific collaborators, CROs, third-party manufacturers, consultants, advisors, licensors, and other third parties, any of these parties may breach such agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection.

***If we fail to comply with our obligations in the agreements under which we license or otherwise acquire intellectual property rights from our licensors and third parties or otherwise experience disruptions to our business relationships with our licensors, we could lose license rights that are important to our business or our business may otherwise be materially harmed.***

In July 2020, we acquired a portfolio of selective, orally bioavailable small molecule SYK inhibitors from Gilead, including ENTO and LANRA, pursuant to the Gilead Asset Purchase Agreement. We also have a non-exclusive worldwide right to certain patents under a license agreement with Harvard University that provides us with rights to use the SMM screen, which is a key component of our product engine. These agreements impose on us, and we expect that any future license or other agreements where we in-license or acquire intellectual property will impose on us, various development, regulatory and/or commercial diligence obligations, payment of milestones and/or royalties and other obligations.

We may need to obtain licenses or acquired intellectual property from third parties to advance our research or allow commercialization of our product candidates, and we cannot provide any assurances that third-party patents do not exist that might be enforced against our product candidates in the absence of such a license or acquisition. We may fail to obtain any of these licenses on commercially reasonable terms, if at all. 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. In that event, we may be required to expend significant time and resources to develop or license replacement technology. If we are unable to do so, 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 and/or other forms of compensation. Licensing and acquisitions of intellectual property involves complex legal, business and scientific issues. Disputes may arise between us and our existing or future licensors

and other third parties regarding intellectual property subject to a license or purchase agreement, including:

- the scope of rights granted under the license or purchase agreement and other interpretation-related issues;
- whether and the extent to which our technology and processes infringe intellectual property of the licensor or other third party that is not subject to the license or purchase agreement;
- our right to sublicense patents and other rights to third parties;
- our diligence obligations with respect to the use of the licensed or acquired technology in relation to our development and commercialization of our product candidates, and what activities satisfy those diligence obligations;
- the effects of termination;
- our right to transfer or assign the license or purchase agreement; and
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and their affiliates and sublicensees and by us and our partners and sublicensees.

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 increase what we believe to be our financial or other obligations under the relevant agreement. And 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 not be able to successfully develop and commercialize the affected product candidates, which would have a material adverse effect on our business.

In addition, certain of our agreements may limit or delay our ability to consummate certain transactions, may impact the value of those transactions, or may limit our ability to pursue certain activities.

***If the scope of any patent protection we obtain is not sufficiently broad, or if we lose any of the patent protection we have, our ability to prevent our competitors from commercializing similar or identical product candidates would be adversely affected.***

The patent position of biopharmaceutical companies generally is highly uncertain, involves complex legal and factual questions, and has been the subject of much litigation in recent years. As a result, the existence, issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our pending and future patent applications may not result in patents being issued that protect our product candidates or that effectively prevent others from commercializing competitive product candidates.

Moreover, the scope of claims in a patent application can be significantly reduced before any claims in a patent issue, and claim scope can be reinterpreted after issuance. Even if patent applications we currently have issue as patents in the future, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage.

Any patents that we have may be challenged or circumvented by third parties or may be narrowed or invalidated as a result of challenges by third parties. Consequently, we do not know whether our product candidates will be protectable or remain protected by valid and enforceable patents. Our competitors or other third parties may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner, which could materially adversely affect our business, financial condition, results of operations and prospects.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may not cover our product candidates or may be challenged in the courts or patent offices in the United States and abroad. We may be subject to a third party pre-issuance submission of prior art to the USPTO, or become involved in opposition, derivation, revocation, reexamination, post-grant review (PGR), and inter partes review (IPR), or other similar proceedings in the USPTO or foreign patent offices challenging our patent rights. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to validity of our patents, for example, we cannot be certain that there is no invalidating prior art, of which we or third parties from whom we acquired our patents and the patent examiner were unaware during prosecution. There is no assurance that all potentially relevant prior art relating to our patents and patent applications has been found. There is also no assurance that there is not prior art of which we or third parties from whom we acquired patents and patent applications are aware, but which we or the third parties do not believe affects the validity or enforceability of a claim in our patents and patent applications, which may, nonetheless, ultimately be found to affect the validity or enforceability of a claim. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate or render unenforceable, our patent rights, allow third parties to commercialize our product candidates and compete directly with us, without payment to us. Such loss of patent rights, loss of exclusivity or in patent claims being narrowed, invalidated or held unenforceable could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our product candidates. 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, 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.

***The patent protection and patent prosecution for some of our product candidates may be dependent on our licensors and third parties.***

We or our licensors may fail to identify patentable aspects of inventions made in the course of development and commercialization activities before it is too late to obtain patent protection on them. Therefore, we may miss potential opportunities to strengthen our patent position. It is possible that defects of form in the preparation or filing of our owned or in-licensed patents or patent applications may exist, or may arise in the future, for example with respect to proper priority claims, inventorship, claim scope, or requests for patent term adjustments. If we or our licensors, whether current or future, fail to establish, maintain or protect such patents and other intellectual property rights, such rights may be reduced or eliminated. If our current or future licensors are not fully cooperative or disagree with us as to the prosecution, maintenance or enforcement of any patent rights, such patent rights could be compromised. If there are material defects in the form, preparation, prosecution, or enforcement of our owned or in-licensed patents or patent applications, such patents may be invalid and/or unenforceable, and such applications may never result in valid, enforceable patents. Any of these outcomes could impair our ability to prevent competition from third parties, which may have an adverse impact on our business.

As a licensee of third parties, whether currently or in the future, we rely and may rely on third parties to file and prosecute patent applications and maintain patents and otherwise protect the licensed intellectual property under in-license agreements. We have not had, do not have, and may not have in the future, primary control over these activities for certain of our patents or patent applications and other intellectual property rights. We cannot be certain that such activities by third parties have been or will be conducted in compliance with applicable laws and regulations or will result in valid and enforceable patents or other intellectual property rights. Pursuant to the terms of the license agreements with some of our licensors, whether current or future, the licensors may have the right to control enforcement of our licensed patents or defense of any claims asserting the invalidity of these patents and even if we are permitted to pursue such enforcement or defense, we will require the cooperation of our licensors. We cannot be certain that our licensors will allocate sufficient resources or prioritize their or our enforcement of such patents or defense of such claims to protect our interests in the licensed patents. Even if we are not a party to these legal actions, an adverse outcome could harm our business because it might prevent

us from continuing to license intellectual property that we may need to operate our business. If any of our licensors or any of our future licensors or future collaborators fail to appropriately prosecute and maintain patent protection for patents covering any of our product candidates, our ability to develop and commercialize those product candidates may be adversely affected and we may not be able to prevent competitors from making, using and selling competing products. Furthermore, the terms of the license agreements with some of our licensors may be non-exclusive, such that we would have no rights to enforce the licensed intellectual property against a competitor. In such cases, the licensors to our non-exclusive licenses may offer licenses to our competitors.

In addition, even where we have the right to control patent prosecution of patents and patent applications we have acquired or licensed from third parties, we may still be adversely affected or prejudiced by actions or inactions of our licensors and their counsel that took place prior to us assuming control over patent prosecution.

Our technology acquired or licensed from various third parties, including our licensors, whether currently or in the future, may be subject to retained rights. Our licensors, whether current or future, may often retain certain rights under their agreements with us, including the right to use the underlying technology for use in fields other than the fields licensed to us or for use in noncommercial academic and research use, to publish general scientific findings from research related to the technology, and to make customary scientific and scholarly disclosures of information relating to the technology. It is difficult to monitor whether our licensors limit their use of the technology to these uses, and we could incur substantial expenses to enforce our rights to our licensed technology in the event of misuse.

If we are limited in our ability to utilize acquired or licensed technologies, or if we lose our rights to critical in-licensed technology, we may be unable to successfully develop, out-license, market and sell our products, which could prevent or delay new product introductions. Our business strategy depends on the successful development of licensed and acquired technologies into commercial products. Therefore, any limitations on our ability to utilize these technologies may impair our ability to develop, out-license or market and sell our product candidate.

***Intellectual property rights do not necessarily address all potential threats to our competitive advantage.***

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 develop products that are similar to our product candidates but that are not covered by the claims of the patents that we own or license;
- we, third parties from whom we acquired intellectual property, or our licensors might not have been the first to make the inventions covered by the issued patents or patent application that we own or license;
- we, third parties from whom we acquired intellectual property, or our licensors might not have been the first to file patent applications covering certain of our inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights;
- it is possible that our pending patent applications will not lead to issued patents;
- issued patents that we own or license may be held invalid or unenforceable, 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; and
- the patents of others may have an adverse effect on our business.

Should any of these events occur, it could significantly harm our business, results of operations and prospects.

***Our commercial success depends significantly on our ability to operate without infringing the patents and other proprietary rights of third parties. Claims by third parties that we infringe their proprietary rights may result in liability for damages or prevent or delay our developmental and commercialization efforts.***

Our commercial success depends in part on avoiding infringement of the patents and proprietary rights of third parties. However, our research, development and commercialization activities may be subject to claims that we infringe or otherwise violate patents or other intellectual property rights owned or controlled by third parties. Other entities may have or obtain patents or proprietary rights that could limit our ability to make, use, sell, offer for sale or import our product candidates and products that may be approved in the future, or impair our competitive position. There is a substantial amount of litigation, both within and outside the United States, involving patent and other intellectual property rights in the biopharmaceutical industry, including patent infringement lawsuits, oppositions, reexaminations, IPR proceedings and PGR proceedings before the USPTO and/or foreign patent offices. Numerous third-party U.S. and foreign issued patents and pending patent applications exist in the fields in which we are developing product candidates. There may be third-party patents or patent applications with claims to materials, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our product candidates.

As the biopharmaceutical industry expands and more patents are issued, the risk increases that our product candidates may be subject to claims of infringement of the patent rights of third parties. Because patent applications are maintained as confidential for a certain period of time, until the relevant application is published we may be unaware of third-party patents that may be infringed by commercialization of any of our product candidates, and we cannot be certain that we were the first to file a patent application related to a product candidate or technology. Moreover, because patent applications can take many years to issue, there may be currently pending patent applications that may later result in issued patents that our product candidates may infringe. In addition, identification of third-party patent rights that may be relevant to our technology is difficult because patent searching is imperfect due to differences in terminology among patents, incomplete databases and the difficulty in assessing the meaning of patent claims. As such, 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. In addition, third parties may obtain patents in the future and claim that use of our technologies infringes upon these patents. Any claims of patent infringement asserted by third parties would be time consuming and could:

- result in costly litigation that may cause negative publicity;
- divert the time and attention of our technical personnel and management;
- cause development delays;

- prevent us from commercializing any of our product candidates until the asserted patent expires or is held finally invalid or unenforceable or not infringed in a court of law;
- require us to develop non-infringing technology, which may not be possible on a cost-effective basis;
- subject us to significant liability to third parties; or
- require us to enter into royalty or licensing agreements, which may not be available on commercially reasonable terms, or at all, or which might be non-exclusive, which could result in our competitors gaining access to the same technology.

Although no third party has asserted a claim of patent infringement against us as of the date of this prospectus, others may hold proprietary rights that could prevent our product candidates from being marketed. Any patent-related legal action against us claiming damages and seeking to enjoin activities relating to our product candidates or processes could subject us to potential liability for damages, including treble damages if we were determined to willfully infringe, and require us to obtain a license to manufacture or develop our product candidates. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of management and employee resources from our business. We cannot predict whether we would prevail in any such actions or that any license required under any of these patents would be made available on commercially acceptable terms, if at all. Moreover, even if we or our future strategic partners were able to obtain a license, the rights may be nonexclusive, which could result in our competitors gaining access to the same intellectual property. In addition, we cannot be certain that we could redesign our product candidates or processes to avoid infringement, if necessary. Accordingly, an adverse determination in a judicial or administrative proceeding, or the failure to obtain necessary licenses, could prevent us from developing and commercializing our product candidates, which could harm our business, financial condition and operating results.

Parties making claims against us may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation or administrative proceedings, there is a risk that some of our confidential information could be compromised by disclosure. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise additional funds or otherwise have a material adverse effect on our business, results of operations, financial condition and prospects.

***We may become involved in lawsuits or administrative disputes to protect or enforce our patents or other intellectual property, which could be expensive, time consuming and unsuccessful.***

Competitors and other third parties may infringe, misappropriate or otherwise violate our patents, trademarks, copyrights, trade secrets or other intellectual property. To counter infringement, misappropriation or other violations, we may be required to file infringement, misappropriation or other violation claims, which can be expensive and time consuming and divert the time and attention of our management and business and scientific personnel. In addition, many of our adversaries in these proceedings may have the ability to dedicate substantially greater resources to prosecuting these legal actions than we can. Moreover, it may be difficult or impossible to obtain evidence of infringement in a competitor's or potential competitor's product or service. 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.

Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringe, misappropriate or otherwise violate their patents or their other intellectual property, in addition to counterclaims asserting that our patents are invalid or unenforceable, or both. In patent litigation in the United States, counterclaims challenging the validity, enforceability or scope of asserted patents are commonplace. Similarly, third parties may initiate legal proceedings against

us seeking a declaration that certain of our intellectual property is non-infringed, invalid or unenforceable. The outcome of any such proceeding is generally unpredictable.

In any patent infringement proceeding, there is a risk that a court will decide that a patent of ours is invalid or unenforceable, in whole or in part, and that we do not have the right to stop the other party from using the invention at issue. There is also a risk that, even if the validity of such patents is upheld, the court will construe the patent's claims narrowly or decide that we do not have the right to stop the other party from using the invention at issue on the grounds that our patent claims do not cover the invention. An adverse outcome in a litigation or proceeding involving our patents could limit our ability to assert our patents against those parties or other competitors, and may curtail or preclude our ability to exclude third parties from making and selling similar or competitive products. If a defendant were to prevail on a legal assertion of invalidity or unenforceability of our patents covering one of our product candidates, we could lose at least a part, and perhaps all, of the patent protection covering such a product candidate. Competing drugs may also be sold in other countries in which our patent coverage might not exist or be as strong. If we lose a foreign patent lawsuit, alleging our infringement of a competitor's patents, we could be prevented from marketing our drugs in one or more foreign countries. Any of these occurrences could adversely affect our competitive business position, business prospects and financial condition. Similarly, if we assert trademark infringement claims, a court may determine that the marks we have asserted are invalid or unenforceable, or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In this case, we could ultimately be forced to cease use of such trademarks.

Even if we establish infringement, the court may decide not to grant an injunction against further infringing activity and instead award only monetary damages, which may or may not be an adequate remedy. 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 litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of shares of our common stock. Moreover, there can be no assurance that we will have sufficient financial or other resources to file and pursue such infringement claims, which typically last for years before they are concluded. Even if we ultimately prevail in such claims, the monetary cost of such litigation and the diversion of the attention of our management and scientific personnel could outweigh any benefit we receive as a result of the proceedings.

Furthermore, third parties may also raise invalidity or unenforceability claims before administrative bodies in the United States or foreign authorities, even outside the context of litigation. Such mechanisms include re-examination, inter partes review, post-grant review, interference proceedings, derivation proceedings and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings). Such proceedings could result in revocation, cancellation or amendment to our patents in such a way that they no longer cover and protect our product candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, enablement or written description. Grounds for an unenforceability assertion could be an allegation that someone connected with the prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution of the patent. With respect to the validity of our patents, for example, we cannot be certain that there is no invalidating prior art of which we, third parties from whom we acquired patents and patent applications, our licensors, our patent counsel, patent counsel for licensors or third parties, and the patent examiner were unaware during prosecution. Moreover, it is possible that prior art may exist that we, our licensors, or third parties from whom we acquired patents and patent applications are aware of but do not believe is relevant to our current or future patents, but that could nevertheless be determined to render our patents invalid. If a third party were to prevail on a legal assertion of invalidity or unenforceability, we could lose at least part, and perhaps all, of the patent protection on one or more of

our product candidates. Any such loss of patent protection could have a material adverse impact on our business, financial condition, results of operations and prospects.

***Patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents.***

In September 2011, the Leahy-Smith America Invents Act (Leahy-Smith Act) was signed into law. The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted and may also affect patent litigation. In particular, under the Leahy-Smith Act, the United States transitioned in March 2013 to a "first inventor to file" system in which, assuming that other requirements of patentability are met, the first inventor to file a patent application will be entitled to the patent regardless of whether a third party was first to invent the claimed invention. A third party that files a patent application in the USPTO after March 2013 but before us could therefore be awarded a patent covering an invention of ours even if we had made the invention before it was made by such third party. This will require us to be cognizant going forward of the time from invention to filing of a patent application. Furthermore, our ability to obtain and maintain valid and enforceable patents depends on whether the differences between our technology and the prior art allow our technology to be patentable over the prior art. Since patent applications in the United States and most other countries are confidential for a period of time after filing or until issuance, we cannot be certain that we were the first to either (i) file any patent application related to our product candidates or (ii) invent any of the inventions claimed in our patents or patent applications.

The Leahy-Smith Act also includes a number of significant changes that affect the way patent applications are prosecuted and also may affect patent litigation. These include allowing third-party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO administered post-grant proceedings, including PGR, IPR, and derivation proceedings. An adverse determination in any such submission or proceeding could reduce the scope or enforceability of, or invalidate, our patent rights, which could adversely affect our competitive position.

Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in United States federal courts necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate our patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action. Thus, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our or licensors' patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

***Changes in U.S. patent law, or laws in other countries, could diminish the value of patents in general, thereby impairing our ability to protect our product candidates.***

As is the case with other biopharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involve a high degree of technological and legal complexity. Therefore, obtaining and enforcing biopharmaceutical patents is costly, time-consuming and inherently uncertain. Changes in either the patent laws or in the interpretations of patent laws in the United States and other countries may diminish the value of our intellectual property and may increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents. We cannot predict the breadth of claims that may be allowed or enforced in our patents or in third-party patents. In addition, Congress or other foreign legislative bodies may pass patent reform legislation that is unfavorable to us.

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. In addition to increasing uncertainty with regard to our or our licensors' ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on legislation and decisions made by the U.S. Congress, the U.S. federal courts, the USPTO, or similar authorities in foreign jurisdictions, the laws and regulations governing patents could change in unpredictable ways that would weaken our or our licensors' ability to obtain new patents or to enforce our existing patents and patents we might obtain in the future.

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

As is common in the biopharmaceutical industry, in addition to our employees, we engage the services of consultants to assist us in the development of our product candidates. Some of our employees and consultants are currently or have been previously employed at universities or at other biotechnology or pharmaceutical companies, or may have previously provided or may be currently providing consulting services to other biopharmaceutical companies, including our competitors or potential competitors. These employees and consultants may have executed proprietary rights, non-disclosure and non-competition agreements, or similar agreements, in connection with such other current or previous employment. Although we try to ensure that our employees and consultants 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 third parties or former employers or former or current clients, or claims that we have wrongfully hired an employee from a competitor. Litigation may be necessary to defend against such claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property or personnel or sustain damages. Such intellectual property could be awarded to a third party, and we could be required to obtain a license from such third party to commercialize our technology or products. Such a license may not be available on commercially reasonable terms or at all. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to our management. Any of the foregoing would have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, while it is our policy to require our employees, consultants and contractors who may be involved in the conception or 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, conceives or develops intellectual property that we regard as our own, which may result in claims by or against us related to the ownership of such intellectual property. In addition, such agreements may not be self-executing such that the intellectual property subject to such agreements may not be assigned to us without additional assignments being executed, and we may fail to obtain such assignments. In addition, such agreements may be breached. Accordingly, we may be forced to bring claims against third parties, or defend claims that they may bring against us to determine the ownership of what we regard as our intellectual property. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to our senior management and scientific personnel, which would have a material adverse effect on 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 term of a patent, and the protection it affords, is limited. In addition, the term of a patent may be reduced if a terminal disclaimer is or was filed in that patent, limiting the term of the patent to that of one or more other patents referenced in the terminal disclaimer. Even if patents directed to our product candidates are obtained, once the patent term has expired, we may be

open to competition from competitive products. Given the amount of time required for the development, testing and regulatory review of product candidates, patents directed to our product 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 similar or identical to ours.

***If we or our licensors do not obtain patent term extension for our product candidates, our business may be materially harmed.***

Depending upon the timing, duration and specifics of FDA marketing approval of our product candidates, one or more of our U.S. patents may be eligible for limited patent term restoration under the Drug Price Competition and Patent Term Restoration Act of 1984 (the Hatch-Waxman Amendments). The Hatch-Waxman Amendments permit a patent restoration term of up to five years as compensation for patent term lost during product development and the FDA regulatory review process. A maximum of one patent may be extended per FDA-approved product as compensation for the patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval and only those claims covering such approved drug product, a method for using it or a method for manufacturing it may be extended. Patent term extension may also be available in certain foreign countries upon regulatory approval of our product candidates. However, we or our licensors may not be granted an extension because of, for example, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents or otherwise failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we or our licensors are unable to obtain patent term extension or restoration or the term of any such extension is less than we request, our competitors may obtain approval of competing products following our patent expiration, and our revenue could be reduced, possibly materially. Further, if this occurs, our competitors may take advantage of our investment in development and clinical trials by referencing our clinical and preclinical data and launch their product earlier than might otherwise be the case.

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

Although we own or have acquired or in-licensed issued patents and have pending patent applications in the United States and certain other countries, filing, prosecuting and defending patents 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. Our patent rights protecting ENTO is limited to the United States, Europe, and Hong Kong. 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 technology in all countries outside the United States or from selling or importing products made using our technology 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, further, may export otherwise infringing products to territories where we or our licensors have patent protection but enforcement is not as strong as that in the United States. These products may compete with our product candidates, and our or our licensors 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 many foreign countries do not favor the enforcement of patents and other intellectual property protection, which could make it difficult for us to stop the infringement of our or our licensors' patents or marketing of competing products in violation of our proprietary rights. Proceedings to enforce our or our licensors' patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our or our licensors' patents at risk of being invalidated or interpreted narrowly, could put our or our licensors' patent applications at risk of not issuing and could provoke third parties to assert claims against us. We or our licensors may not prevail in any lawsuits that we or our licensors initiate, and the

damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our or our licensors' 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.

Many countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patents. If we or our licensors are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired, and our business, financial condition, results of operations and prospects may be adversely affected.

Obtaining and maintaining our patent protection depends on compliance with various procedural, documentary, fee payment and other requirements imposed by regulations and governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and/or applications will be due to the USPTO and various foreign patent offices at various points over the lifetime of our patents and/or applications. We have systems in place to remind us to pay these fees, and we rely on third parties to pay these fees when due. Additionally, the USPTO and various foreign patent offices require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. We employ reputable law firms and other professionals to help us comply, and in many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with rules applicable to the particular jurisdiction. However, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. If such an event were to occur, it could have a material adverse effect on our business.

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

In addition, we rely on the protection of our trade secrets, including unpatented know-how, technology and other proprietary information to maintain our competitive position. Although we have taken steps to protect our trade secrets and unpatented know-how, including entering into confidentiality agreements with third parties, and confidential information and inventions agreements with employees, consultants, licensors and advisors, we cannot provide any assurances that all such agreements have been duly executed, and 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. 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.

Moreover, third parties may still obtain this information or may come upon this or similar information independently, and we would have no right to prevent them from using that technology or information to compete with us. If any of these events occurs or if we otherwise lose protection for our trade secrets, the value of this information may be greatly reduced and our competitive position would be harmed. If we or our licensors do not apply for patent protection prior to such publication or if we cannot otherwise maintain the confidentiality of our proprietary technology and other confidential information, then our ability to obtain patent protection or to protect our trade secret information may be jeopardized.

***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.

**Risks Related to Our Reliance on Third Parties**

***We rely, and expect to rely in the future, on third parties, including independent clinical investigators and CROs, to conduct certain aspects of our preclinical studies and planned clinical trials. If these third parties do not successfully carry out their contractual duties, comply with applicable regulatory requirements or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our product candidates and our business could be substantially harmed.***

We have relied upon and plan to rely in the future upon third parties, including independent clinical investigators and third-party CROs, to conduct certain aspects of our preclinical studies and planned clinical trials and to monitor and manage data for our ongoing preclinical and planned clinical programs. Pursuant to the Gilead Asset Purchase Agreement, Gilead is responsible for certain ongoing clinical trials of ENTO and LANRA.

We rely or will rely on these parties for execution of our preclinical studies and planned clinical trials, and may not control, or will only control certain aspects of, their activities. Nevertheless, we are or will be responsible for ensuring that each of our studies and trials is conducted in accordance with the applicable protocol, legal, regulatory and scientific standards, and our reliance on these third parties does not relieve us of our regulatory responsibilities. We and our third-party contractors and CROs are required to comply with GCP requirements, which are regulations and guidelines enforced by the FDA and comparable foreign regulatory authorities for all of our products candidates in clinical development. Regulatory authorities enforce these GCPs through periodic inspections of trial sponsors, principal investigators and trial sites. If we or any of these third parties or our CROs fail to comply with applicable GCPs, 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 by a given regulatory authority, such regulatory authority will determine that any of our clinical trials comply with GCP regulations. In addition, our clinical trials must be conducted with product produced under cGMP regulations. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process. Moreover, our business may be adversely affected if any of these third parties violates federal or state fraud and abuse or false claims laws and regulations or healthcare privacy and security laws.

Further, these investigators and CROs are not our employees and we will not be able to control, other than by contract, the amount of resources, including time, which they devote to our product candidates and clinical trials. These third parties may also have relationships with other commercial entities, including our competitors, for whom they may also be conducting clinical trials or other product development activities, which could affect their performance on our behalf. If independent investigators or CROs fail to devote sufficient resources to the development of our product candidates, or 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 is compromised due to the failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to obtain regulatory approval for or successfully commercialize our product candidates. 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. As a result, our results of operations and the commercial prospects for our product candidates would be harmed, our costs could increase and our ability to generate revenues could be delayed or precluded entirely.

We have CROs located in China and India. International tension or conflict with these countries could result in a material disruption in our contractual relationship with the CROs, which could delay or otherwise negatively impact progress in our preclinical programs. Our CROs have the right to terminate their agreements with us in the event of an uncured material breach, upon clinical trial subject safety concerns, or upon our insolvency.

The effects of the COVID-19 pandemic and government measures taken in response have also had a significant impact on our CROs, and they have in the past faced disruptions and in the future may face further disruption which may affect our ability to initiate and complete our preclinical studies and planned clinical trials.

If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs or to do so on commercially reasonable terms. Switching or adding additional CROs involves additional cost and requires management time and focus. In addition, there is a natural transition period when a new CRO commences work. As a result, delays occur, which can materially impact our ability to meet our desired clinical development timelines. Additionally, CROs may lack the capacity to absorb higher workloads or take on additional capacity to support our needs. Though we carefully manage our relationships with our CROs, there can be no assurance that we will not encounter similar challenges or delays in the future or that these delays or challenges will not have a material adverse impact on our business, financial condition and prospects.

***We may form or seek collaborations or strategic alliances or enter into additional strategic arrangements in the future, which involve risks, and we may not realize the benefits of such collaborations, alliances or strategic arrangements.***

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

In addition, we face significant competition in seeking appropriate strategic partners and the negotiation process is time-consuming and complex. Moreover, we may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for our 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 our product candidates as having the requisite potential to demonstrate safety, potency, purity and efficacy and obtain marketing approval. 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.

Further, collaborations involving our product candidates are subject to numerous risks, which may include the following:

- collaborators have significant discretion in determining the efforts and resources that they will apply to a collaboration;
- collaborators may not pursue development and commercialization of our product candidates or may elect not to continue or renew development or commercialization of our product candidates based on clinical trial results, changes in their strategic focus due to the acquisition of competitive products, availability of funding or other external factors, such as a business combination that diverts resources or creates competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial, 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 product candidates;
- a collaborator with marketing and distribution rights to one or more products may not commit sufficient resources to their marketing and distribution;
- collaborators may not properly maintain or defend our intellectual property rights or may use our intellectual property or 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 liability;
- disputes may arise between us and a collaborator that cause the delay or termination of the research, development or commercialization of our product candidates, or that result in costly litigation or arbitration that diverts management attention and resources;
- collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable product candidates; and
- collaborators may own or co-own intellectual property covering our products that results from our collaborating with them, and in such cases, we would not have the exclusive right to commercialize such intellectual property. If we are unable to obtain exclusive licenses to any such co-owner's interest in such intellectual property, such co-owner may be able to license their rights to third parties, including our competitors, and our competitors could market competing products and technology.

As a result, if we enter into collaboration agreements and strategic partnerships or license our product candidates, we may not be able to realize the benefit of such transactions if we are unable to successfully integrate them with our existing operations and company culture, 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 our product candidates could delay the development and commercialization of our product candidates in certain geographies for certain indications, which would harm our business prospects, financial condition and results of operations.

***We will rely on third parties to manufacture our clinical product supplies, and we may rely on third parties to produce and process our product candidates, if approved.***

We do not own or operate, and currently have no plans to establish, any manufacturing facilities. We currently rely, and expect to continue to rely for the foreseeable future, on third parties for the manufacture of our product candidates for preclinical and clinical testing, as well as for commercial manufacture of any products that we may commercialize. In this regard, while we have purchased initial inventory of active pharmaceutical ingredients (APIs) and product candidates for ENTO and LANRA from Gilead under the Gilead Asset Purchase Agreement, we will need to obtain further supplies of APIs and clinical drug supply for ENTO, KB-0742 and, if we choose to develop it, LANRA, from third-party manufacturers. We do not currently have arrangements in place for redundant supply for APIs or our clinical product candidates. In addition, we are currently completing the transfer of the SYK technology we acquired from Gilead, and it is possible that we do not obtain all of the information required for us to transfer the manufacturing technology for ENTO or LANRA to a third-party manufacturer. Any delays or inadequacies in such technology transfer, or disputes regarding the scope of such technology transfer, could adversely affect our ability to arrange for the manufacture of these product candidates for use in clinical trials, including our planned registrational Phase 2/3 clinical trial of ENTO in combination with IC in AML patients with NPM1 mutations.

We will need to negotiate and maintain contractual arrangements with outside vendors for the supply of our product candidates and we may not be able to do so on favorable terms. In addition, these third-party manufacturing providers may not be able to provide adequate resources or capacity to meet our needs. We expect to initially obtain our supplies from manufacturers on a purchase order basis without long-term supply arrangements in place. We have not yet caused any product candidates to be manufactured on a commercial scale and may not be able to do so for any of our product candidates. In the future, we may be unable to enter into agreements with third-party manufacturers for commercial supplies of any product candidate, or may be unable to do so on acceptable terms.

Reliance on third-party manufacturers entails risks, including reliance on single sources for product components and lack of qualified backup suppliers for those components purchased from a sole or single source supplier. We cannot be sure that single source suppliers for our product components will remain in business or that they will not be purchased by one of our competitors or another company that is not interested in continuing to produce these components for our intended purpose. In addition, the lead time needed to establish a relationship with a new supplier can be lengthy, and we may experience delays in meeting demand in the event we must switch to a new supplier. The time and effort to qualify a new supplier could result in additional costs, diversion of resources or reduced manufacturing yields, any of which would negatively impact our operating results.

The facilities used by our contract manufacturers to manufacture our product candidates must be approved by the FDA or other foreign regulatory authorities following inspections that will be conducted after we submit an application to the FDA or other foreign regulatory authorities. We may not control the manufacturing process of, and may be completely dependent on, our contract manufacturing partners for compliance with cGMPs and any other regulatory requirements of the FDA or other regulatory authorities for the manufacture of our product candidates. Beyond periodic audits, we have no control over the ability of our contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or a comparable foreign regulatory authority does not approve these facilities for the manufacture of our product candidates or if it withdraws any approval in the future, we may need to find alternative manufacturing facilities, which would require the incurrence of significant additional costs and significantly impact our ability to develop, obtain regulatory approval for or market our product candidates, if approved. Similarly, if any third-party manufacturers on which we will rely fail to manufacture quantities of our product candidates at quality levels necessary to meet regulatory requirements and at a scale sufficient to meet anticipated demand at a cost that allows us to achieve profitability, our business, financial condition and prospects could be materially and adversely affected.

***Manufacturing our product candidates is complex and we may encounter difficulties in production. If we encounter such difficulties, our ability to provide supply of our product candidates for preclinical studies and clinical trials or for commercial purposes could be delayed or stopped.***

The process of manufacturing our product candidates is complex and highly regulated.

We expect to rely on third parties for the manufacture of our product candidates. These third-party manufacturers may incorporate their own proprietary processes into our product candidate manufacturing processes. We will have limited control and oversight of a third party's proprietary process, and a third party may elect to modify its process without our consent or knowledge. These modifications could negatively impact our manufacturing, including product loss or failure that requires additional manufacturing runs or a change in manufacturer, both of which could significantly increase the cost of and significantly delay the manufacture of our product candidates.

As our product candidates progress through preclinical studies and clinical trials towards approval and commercialization, it is expected that various aspects of the manufacturing process will be altered in an effort to optimize processes and results. Such changes may require amendments to be made to regulatory applications which may further delay the timeframes under which modified manufacturing processes can be used for any of our product candidates and additional bridging studies or trials may be required.

In addition, in order to conduct clinical trials of our 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. If the 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.

***If our third-party manufacturers use hazardous and biological materials in a manner that causes injury or violates applicable law, we may be liable for damages.***

Our research and development activities involve the controlled use of potentially hazardous substances, including chemical and biological materials, by our third-party manufacturers. Our manufacturers are subject to federal, state and local laws and regulations in the United States governing the use, manufacture, storage, handling and disposal of medical and hazardous materials. Although we believe that our manufacturers' procedures for using, handling, storing and disposing of these materials comply with legally prescribed standards, we cannot completely eliminate the risk of contamination or injury resulting from medical or hazardous materials. As a result of any such contamination or injury, we may incur liability or local, city, state or federal authorities may curtail the use of these materials and interrupt our business operations. In the event of an accident, we could be held liable for damages or penalized with fines, and the liability could exceed our resources. We do not have any insurance for liabilities arising from medical or hazardous materials. Compliance with applicable environmental laws and regulations is expensive, and current or future environmental regulations may impair our research, development and production efforts, which could harm our business, prospects, financial condition or results of operations.

**Risks Related to Managing Our Growth, Employee Matters and Other Risks**

***Our success is highly dependent on our ability to attract and retain highly skilled executive officers and employees.***

To succeed, we must recruit, retain, manage and motivate qualified clinical, scientific, technical and management personnel, and we face significant competition for experienced personnel. We are highly



dependent on the principal members of our management and scientific and medical staff. If we do not succeed in attracting and retaining qualified personnel, particularly at the management level, it could adversely affect our ability to execute our business plan and harm our operating results. In particular, the loss of one or more of our executive officers could be detrimental to us if we cannot recruit suitable replacements in a timely manner. The competition for qualified personnel in the biotechnology field is intense and as a result, we may be unable to continue to attract and retain qualified personnel necessary for the future success of our business. We could in the future have difficulty attracting experienced personnel to our company and may be required to expend significant financial resources in our employee recruitment and retention efforts.

Many of the other biotechnology companies that we compete against for qualified personnel have greater financial and other resources, different risk profiles and a longer history in the industry than we do. They also may provide more diverse opportunities and better prospects for career advancement. Some of these characteristics may be more appealing to high-quality candidates than what we have to offer. If we are unable to continue to attract and retain high-quality personnel, the rate and success at which we can discover, develop and commercialize our product candidates will be limited and the potential for successfully growing our business will be harmed.

***We have grown rapidly and will need to continue to grow the size of our organization and expand our capabilities, and we may experience difficulties in managing this growth.***

As of July 15, 2020, we had 45 full-time employees. As of January 1, 2019, we had nine full-time employees and within the last 12 months, we have expanded our executive team with the additions of our Chief Medical Officer and Executive Vice President, Clinical Development, our Chief Scientific Officer and our Chief Operating Officer and General Counsel. We expect to experience significant growth in the number of our employees and the scope of our operations, particularly in the areas of clinical development, clinical operations, manufacturing, regulatory affairs, and, if any of our product candidates receives marketing approval, sales, marketing and distribution. In addition, we do not yet have a self-sufficient accounting and finance group within our company, and have relied and continue to rely on a third-party accounting consulting firm to augment our internal accounting and finance function. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. We are in the process of building out our leased office and laboratory space in Cambridge, Massachusetts, which we anticipate completing in November 2020, and it is possible that we will encounter delays or difficulties with this build-out, including due to the ongoing COVID-19 pandemic, which could negatively impact our operating plans.

Due to our limited financial resources and the limited experience of our management team in managing a company with such anticipated growth and with building clinical development, manufacturing and internal accounting and finance infrastructure, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The expansion of our operations may lead to significant costs and may divert our management and business development resources.

Further, we currently rely, and for the foreseeable future will continue to rely, in substantial part on certain third-party contract organizations, advisors and consultants to provide certain services, including assuming substantial responsibilities for the conduct of our planned clinical trials and the manufacture of our current or future product candidates. We cannot assure you that the services of such third-party contract 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 our vendors or 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 of our product candidates or otherwise advance our business. We cannot assure you that we will be able to properly manage our existing vendors or consultants or find other competent outside vendors and consultants on economically reasonable terms, or at all.

If we are not able to effectively manage growth and expand our organization, we may not be able to successfully implement the tasks necessary to further develop and commercialize ENTO, KB-0742, our other pipeline product candidates or any future product candidates and, accordingly, may not achieve our research, development and commercialization goals.

***Our information technology systems, or those used by our third-party CROs or other contractors or consultants, may fail, be disrupted or suffer security breaches, which could result in a material disruption of our discovery and development programs or otherwise materially and adversely affect our business.***

Despite the implementation of security measures, our internal computer systems and those of our current and future CROs and other contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, and telecommunication and electrical failures. While we have not 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 discovery and development programs and our business operations. For example, the loss of data from completed or future preclinical studies and clinical trials could result in delays in our regulatory 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 will rely on third parties to conduct our 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 product candidates could be delayed.

***Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses.***

Our operations, and those of our CROs, contract manufacturing organizations (CMOs) and other contractors and consultants, could be subject to earthquakes, power shortages, telecommunications failures, water shortages, floods, hurricanes, typhoons, fires, extreme weather conditions, epidemics and pandemics such as the COVID-19 pandemic, and other natural or man-made disasters or business interruptions, for which we are predominantly self-insured. The occurrence of any of these business disruptions could seriously harm our operations and financial condition and increase our costs and expenses. We rely on third-party manufacturers to produce our product candidates. Our ability to obtain clinical supplies of our product candidates could be disrupted if the operations of these suppliers are affected by a man-made or natural disaster or other business interruption.

***Our ability to utilize our net operating loss carryforwards and certain other tax attributes may be limited.***

Under the Tax Act, as modified by the CARES Act, federal net operating losses incurred in tax years beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such federal net operating losses in tax years beginning after December 31, 2020, is limited to 80% of taxable income. It is uncertain if and to what extent various states will conform to the Tax Act or the CARES Act. In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, 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 the equity ownership of certain stockholders 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 and taxes may be limited. As a result of our private placements and other transactions that have occurred over the past three years, we may have experienced, and upon the closing of this offering, we may experience, an "ownership change." We may also experience ownership changes in the future as a result of subsequent shifts in our stock ownership. We anticipate incurring significant additional net losses for the foreseeable future.

future, and our ability to utilize net operating loss carryforwards associated with any such losses to offset future taxable income may be limited to the extent we incur future ownership changes. In addition, at the state level, there may be periods during which the use of net operating loss carryforwards is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed. For example, California recently imposed limits on the usability of California state net operating losses to offset taxable income in tax years beginning after 2019 and before 2023. As a result, we may be unable to use all or a material portion of our net operating loss carryforwards and other tax attributes, which could adversely affect our future cash flows.

***Unstable market and economic conditions may have serious adverse consequences on our business, financial condition and stock price.***

As widely reported, global credit and financial markets have experienced extreme volatility and disruptions in the past several years, most recently due to the COVID-19 pandemic, including severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates and uncertainty about economic stability. There can be no assurance that further deterioration in credit and financial markets and confidence in economic conditions, whether due to the evolving effects of the COVID-19 pandemic or otherwise, will not occur. Our general business strategy may be adversely affected by any such economic downturn, volatile business environment or continued unpredictable and unstable market conditions. If the current equity and credit markets deteriorate, or do not improve, it may make any necessary debt or equity financing more difficult, more costly, and more dilutive.

Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance and stock price and could require us to delay or abandon clinical development plans. In addition, there is a risk that one or more of our current service providers, manufacturers and other partners may not survive these difficult economic times, which could directly affect our ability to attain our operating goals on schedule and on budget.

After the completion of this offering, our stock price may decline due in part to the volatility of the stock market and the general economic downturn.

***We may be unable to adequately protect our information systems from cyberattacks, which could result in the disclosure of confidential or proprietary information, including personal data, damage our reputation, and subject us to significant financial and legal exposure.***

We rely on information technology systems that we or our third-party vendors operate to process, transmit and store electronic information in our day-to-day operations. In addition, the COVID-19 pandemic has intensified our dependence on information technology systems as many of our critical business activities are currently being conducted remotely. In connection with our discovery and development efforts, we may collect and use a variety of personal data, such as name, mailing address, email addresses, phone number and clinical trial information. A successful cyberattack could result in the theft or destruction of intellectual property, data, or other misappropriation of assets, or otherwise compromise our confidential or proprietary information and disrupt our operations. Cyberattacks are increasing in their frequency, sophistication and intensity, and have become increasingly difficult to detect. Moreover, the prevalent use of mobile devices to access confidential information increases the risk of security breaches. Cyberattacks could include wrongful conduct by hostile foreign governments, industrial espionage, wire fraud and other forms of cyber fraud, the deployment of harmful malware, denial-of-service, social engineering fraud or other means to threaten data security, confidentiality, integrity and availability. A successful cyberattack could cause serious negative consequences for us, including, without limitation, the disruption of operations, the misappropriation of confidential business information, including financial information, trade secrets, financial loss and the disclosure of corporate strategic plans. Although we devote resources to protect our information systems, we realize that cyberattacks are a threat, and there can be no assurance that our efforts will prevent information security breaches that would result in business, legal, financial or reputational harm to us, or would have a

material adverse effect on our results of operations and financial condition. Any failure to prevent or mitigate security breaches or improper access to, use of, or disclosure of our clinical data or patients' personal data could result in significant liability under state (e.g., state breach notification laws), federal (e.g., HIPAA, as amended by HITECH), and international law (e.g., the GDPR) and may cause a material adverse impact to our reputation, affect our ability to conduct our planned clinical trials and potentially disrupt our business. In addition, failure to maintain effective internal accounting controls related to security breaches and cybersecurity in general could impact our ability to produce timely and accurate financial statements and subject us to regulatory scrutiny.

In addition, the information technology systems of various third parties on which we rely, including our CROs and other contractors, consultants and legal and accounting firms, may sustain damage from computer viruses, unauthorized access, data breaches, phishing attacks, cybercriminals, natural disasters (including hurricanes and earthquakes), terrorism, war and telecommunication and electrical failures. We rely on our third-party providers to implement effective security measures and identify and correct for any such failures, deficiencies or breaches. If we or our third-party providers fail to maintain or protect our information technology systems and data integrity effectively or fail to anticipate, plan for or manage significant disruptions to our information technology systems, we or our third-party providers could have difficulty preventing, detecting and controlling such cyber-attacks and any such attacks could result in losses described above as well as disputes with physicians, patients and our partners, regulatory sanctions or penalties, increases in operating expenses, expenses or lost revenues or other adverse consequences, any of which could have a material adverse effect on our business, results of operations, financial condition, prospects and cash flows. Any failure by such third parties to prevent or mitigate security breaches or improper access to or disclosure of such information could have similarly adverse consequences for us. If we are unable to prevent or mitigate the impact of such security or data privacy breaches, we could be exposed to litigation and governmental investigations, which could significantly increase our costs and lead to a potential disruption to our business.

#### **Risks Related to Our Common Stock and This Offering**

***After this offering, our executive officers, directors and principal stockholders, if they choose to act together, will continue to have the ability to significantly influence all matters submitted to stockholders for approval.***

Prior to this offering, our executive officers, directors, and greater than 5% stockholders beneficially owned approximately 55.1% of our voting stock as of June 30, 2020, and, upon the closing of this offering, that same group will continue to beneficially own a significant percentage of our outstanding voting stock. Accordingly, even after this offering, these stockholders will have the ability to influence us through this ownership position and significantly affect the outcome of all matters requiring stockholder approval. For example, these stockholders may be able to significantly affect the outcome of elections of directors, amendments of our organizational documents, or approval of any merger, sale of assets, or other major corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for our common stock that you may feel are in your best interest as one of our stockholders.

***Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws that will be in effect at the completion of this offering could make a merger, tender offer or proxy contest difficult, thereby depressing the trading price of our common stock.***

Provisions of our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective immediately prior to and upon the completion of this offering, respectively, may delay or discourage transactions involving an actual or potential change in our control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares or transactions that our stockholders might otherwise deem to be in their best

interests. Therefore, these provisions could adversely affect the price of our common stock. Among other things, our amended and restated certificate of incorporation and amended and restated bylaws will:

- permit our board of directors to issue up to 10,000,000 shares of preferred stock, with any rights, preferences and privileges as they may designate (including the right to approve an acquisition or other change in our control);
- provide that the authorized number of directors may be changed only by resolution of the board of directors;
- provide that our board of directors or any individual director may only be removed with cause and the affirmative vote of the holders of at least 66-2/3% of the voting power of all of our then-outstanding common stock;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- divide our board of directors into three classes;
- require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent;
- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide notice in writing in a timely manner and also specify requirements as to the form and content of a stockholder's notice;
- do not provide for cumulative voting rights (therefore allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose);
- provide that special meetings of our stockholders may be called only by the chair of our board of directors, our Chief Executive Officer or by the board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors; and
- provide that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers or other employees to us or our stockholders; (iii) any action or proceeding asserting a claim against us or any of our current or former directors, officers or other employees, arising out of or pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our bylaws; (iv) any action or proceeding to interpret, apply, enforce or determine the validity of our certificate of incorporation or our bylaws; (v) any action or proceeding as to which the Delaware General Corporation Law confers jurisdiction to the Court of Chancery of the State of Delaware; and (vi) any action asserting a claim against us or any of our directors, officers or other employees governed by the internal affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court's having personal jurisdiction over the indispensable parties named as defendants; provided these provisions of our amended and restated certificate of incorporation and amended and restated bylaws will not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended (Exchange Act), or any other claim for which the federal courts have exclusive jurisdiction; and provided that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America shall be the exclusive forum for the resolution of

any complaint asserting a cause of action arising under the Securities Act of 1933, as amended (Securities Act).

The amendment of any of these provisions, with the exception of the ability of our board of directors to issue shares of preferred stock and designate any rights, preferences and privileges thereto, would require approval by the holders of at least 66-2/3% of our then-outstanding common stock.

In addition, as a Delaware corporation, we are subject to Section 203 of the Delaware General Corporation Law. These provisions may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a certain period of time. A Delaware corporation may opt out of this provision by express provision in its original certificate of incorporation or by amendment to its certificate of incorporation or bylaws approved by its stockholders. However, we have not opted out of this provision.

These and other provisions in our amended and restated certificate of incorporation, amended and restated bylaws and Delaware law could make it more difficult for stockholders or potential acquirors to obtain control of our board of directors or initiate actions that are opposed by our then-current board of directors, including delay or impede a merger, tender offer or proxy contest involving our company. The existence of these provisions could negatively affect the price of our common stock and limit opportunities for you to realize value in a corporate transaction.

For information regarding these and other provisions, see "Description of Capital Stock."

***Our amended and restated certificate of incorporation will provide that the Court of Chancery of the State of Delaware and the federal district courts of the United States of America will be the exclusive forums for substantially all 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 will provide that, to the fullest extent permitted by law and subject to the court's having personal jurisdiction over the indispensable parties named as defendants, the Court of Chancery of the State of Delaware is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law:

- any derivative action or proceeding brought on our behalf;
- any action or proceeding asserting a breach of fiduciary duty owed by any of our current or former directors, officers or other employees to us or our stockholders;
- any action or proceeding asserting a claim against us or any of our current or former directors, officers or other employees arising out of or pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or bylaws;
- any action or proceeding to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws;
- any action or proceeding as to which the Delaware General Corporation Law confers jurisdiction to the Court of Chancery of the State of Delaware; and
- any action asserting a claim against us or any of our directors, officers or other employees that is governed by the internal affairs doctrine.

This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and

restated certificate of incorporation further provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions.

These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers and other employees. If a court were to find either exclusive forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could seriously harm our business.

***If you purchase shares of common stock in this offering, you will suffer immediate dilution of your investment.***

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 shares of our common stock in this offering, you will pay a price per share that substantially exceeds our pro forma as adjusted net tangible book value per share after this offering. To the extent shares subsequently are issued under outstanding options, you will incur further dilution. 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 after giving effect to this offering and the assumed initial public offering price. In addition, purchasers of common stock in this offering will have contributed approximately \_\_\_\_\_ % of the aggregate price paid by all purchasers of our stock, but will own only approximately \_\_\_\_\_ % of our common stock outstanding after this offering.

***An active trading market for our common stock may not develop.***

Prior to this offering, there has been no public market for our common stock. The initial public offering price for our common stock will be determined through negotiations with the underwriters. An active trading market for our shares may never develop or be sustained following this offering. If an active market for our common stock does not develop, it may be difficult for you to sell shares you purchase in this offering without depressing the market price for the shares or at all.

***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 smaller pharmaceutical 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 degree of success of competitive products or technologies;
- the commencement, enrollment or results of clinical trials and preclinical studies of our product candidates or those of our competitors;
- adverse results from, delays in or termination of clinical trials;

- unanticipated serious safety concerns related to the use of our product candidates;
- regulatory or legal developments in the United States and other countries;
- any delay in our regulatory filings for our product candidates and any adverse development or perceived adverse development with respect to the applicable regulatory authority's review of such filings, including without limitation the FDA's issuance of a "refusal to file" letter or a request for additional information;
- receipt of, or failure to obtain, regulatory approvals;
- changes in the structure of healthcare payment systems;
- lower than expected market acceptance of our product candidates following approval, if any, for commercialization;
- 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 any of our product candidates or clinical development programs;
- the results of our efforts to develop, acquire or in-license additional technologies or product candidates;
- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- publication of research reports about us or our industry or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- announcements of investigations or regulatory scrutiny of our operations or lawsuits filed against us;
- variations in our financial results or those of companies that are perceived to be similar to us;
- rumors or announcements regarding transactions involving our company or product candidates;
- proposed changes to healthcare laws in the United States or foreign jurisdictions, or speculation regarding such changes;
- market conditions or trends in the pharmaceutical and biotechnology sectors;
- general economic, industry and market conditions; and
- the other events or factors, including those described in this "Risk Factors" section.

***We have broad discretion in the use of the net proceeds from this offering and may not use them effectively.***

Our management will have broad discretion in the application of the net proceeds from this offering and could spend the proceeds in ways that do not improve our results of operations or enhance the value of our common stock. The failure by our management to apply these funds effectively could result in financial losses that could have a material adverse effect on our business, cause the price of our common stock to decline and delay the development of our product candidates. Pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value.



***If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about us, our business or our market, our stock price and trading volume could decline.***

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. Securities and industry analysts do not currently, and may never, publish research on our company. If no or only very few securities analysts commence coverage of us, or if industry analysts cease coverage of us, the trading price for our common stock would be negatively affected. If one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, our common stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause our common stock price and trading volume to decline.

***A significant portion of our total outstanding shares is eligible to be sold into the market in the near future, which could cause the market price of our common stock to drop significantly, even if our business is doing well.***

Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock. After this offering, we will have \_\_\_\_\_ outstanding shares of common stock based on the number of shares outstanding as of June 30, 2020 and the automatic settlement of our 2020 Notes into shares of our common stock, assuming an initial public offering price of \$ \_\_\_\_\_ per share (the midpoint of the price range set forth on the cover page of this prospectus). This number includes the shares that we are selling in this offering, which may be resold in the public market immediately without restriction, unless purchased by our affiliates or existing stockholders. Of the remaining shares, \_\_\_\_\_ shares are currently restricted as a result of securities laws or lock-up agreements, but will become eligible to be sold after the offering as described in the "Shares Eligible for Future Sale" section of this prospectus. Moreover, after this offering, holders of an aggregate of \_\_\_\_\_ shares of our common stock will have rights, subject to specified conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. We also intend to register all shares of common stock that we may issue under our equity compensation plans. Once we register these shares, they can be freely sold in the public market upon issuance, subject to volume limitations applicable to affiliates and the lock-up agreements described in the "Underwriting" section of this prospectus.

We and our officers, directors, and holders of substantially all of our capital stock, stock options and other securities convertible into, exercisable or exchangeable for our capital stock outstanding immediately prior to the closing of this offering have agreed with the underwriters, subject to certain exceptions described in the section titled "Underwriting," not to dispose of or hedge any of common stock or securities convertible into or exchangeable for shares of common stock for a period of 180 days following the date of this prospectus, except with the prior written consent of Goldman Sachs & Co. LLC, Jefferies LLC, Cowen and Company, LLC and Piper Sandler & Co. on behalf of the underwriters. We refer to such period as the lock-up period. When the lock-up period expires, we and our securityholders subject to a lock-up agreement or market stand-off agreement will be able to sell our shares in the public market. In addition, Goldman Sachs & Co. LLC, Jefferies LLC, Cowen and Company, LLC and Piper Sandler & Co. may, in their sole discretion, release all or some portion of the shares subject to lock-up agreements at any time and for any reason. See "Shares Eligible for Future Sale" for more information. Sales of a substantial number of such shares upon expiration of the lock-up and market stand-off agreements, the perception that such sales may occur, or early release of these agreements, could cause our market price to fall or make it more difficult for you to sell your common stock at a time and price that you deem appropriate.

***Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.***

Upon the completion of this offering, we will become subject to the periodic reporting requirements of the Exchange Act. We designed our disclosure controls and procedures to reasonably assure that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. For example, our directors or executive officers could inadvertently fail to disclose a new relationship or arrangement causing us to fail to make any related party transaction disclosures. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected. In addition, while we plan to implement a risk management program and processes or procedures for identifying and addressing risks to our business in other areas, we do not currently have such a program, processes or procedures in place.

***We are an "emerging growth company," and the reduced disclosure requirements applicable to emerging growth companies may make our common stock less attractive to investors.***

We are an "emerging growth company," as defined in the JOBS Act, and may remain an emerging growth company for up to five full fiscal years following this offering. For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include:

- being permitted to provide only two years of audited financial statements in this prospectus, in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure;
- not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- reduced disclosure obligations regarding executive compensation; and
- exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We have taken advantage of reduced reporting burdens in this prospectus. In particular, in this prospectus, we have provided only two years of audited financial statements and correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure and have not included all of the executive compensation related information that would be required if we were not an emerging growth company. We cannot predict whether investors will find our common stock less attractive if we 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. 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 allows an emerging growth company to delay the adoption of these accounting standards until they would otherwise apply to private companies. We have elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

***We will incur 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 and corporate governance practices.***

As a public company, and particularly after we are no longer an emerging growth company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the Nasdaq Global Market and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance, which in turn could make it more difficult for us to attract and retain qualified members of our board of directors.

We are evaluating these rules and regulations, and cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Pursuant to Section 404 of the Sarbanes-Oxley Act (Section 404), we will be required to furnish a report by our management on our internal control over financial reporting. However, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed period, we will be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Section 404. If we identify one or more material weaknesses, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

***Because we do not anticipate paying any cash dividends on our capital stock in the foreseeable future, capital appreciation, if any, will be your sole source of gain.***

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. In addition, the terms of any future debt agreements we may enter into may preclude us from paying dividends. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

***We could be subject to securities class action litigation.***

In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because pharmaceutical companies have experienced significant stock price volatility in recent years. If we face such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could harm our business.

#### SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this prospectus, including statements regarding our strategy, future financial condition, future operations, research and development, planned clinical trials and preclinical studies, the timing and likelihood of regulatory filings and approvals for our product candidates, our ability to commercialize our product candidates, the potential benefits of collaborations, projected costs, prospects, plans, objectives of management and expected market growth, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "contemplate," "continue," "could," "design," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "positioned," "potential," "predict," "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.

We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements are subject to a number of known and unknown risks, uncertainties and assumptions described in the sections of this prospectus titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this prospectus. Other sections of this prospectus may include additional factors that could harm our business and financial performance. In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this prospectus, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time, and it is not possible for our management to predict all risk factors nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in, or implied by, any forward-looking statements.

In light of the significant uncertainties in these forward-looking statements, you should not rely upon forward-looking statements as predictions of future events. Although we believe that we have a reasonable basis for each forward-looking statement contained in this prospectus, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur at all. You should refer to the section of this prospectus titled "Risk Factors" for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. Except as required by law, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. The Private Securities Litigation Reform Act of 1995 and Section 27A of the Securities Act, do not protect any forward-looking statements that we make in connection with this offering.

You should read this prospectus and the documents that we reference in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of the forward-looking statements in this prospectus by these cautionary statements.

#### MARKET AND INDUSTRY DATA

Certain market, industry and competitive data included in this prospectus were obtained from our own internal estimates and research, as well as from publicly available information, reports of governmental agencies and industry publications and surveys. In some cases, we do not expressly refer to the sources from which this data is derived. All of the market and industry data used in this prospectus is inherently subject to uncertainties and involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such information. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section of this prospectus titled "Risk Factors." 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 this offering will be approximately \$ million (or approximately \$ million if the underwriters exercise in full their option to purchase up to additional shares of common stock), based on the assumed initial public offering price of \$ per share (the midpoint of the price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Each \$1.00 increase or decrease in the assumed initial public offering price of \$ per share (the midpoint of the price range set forth on the cover page of this prospectus) would increase or decrease, as applicable, the net proceeds to us from this offering by approximately \$ million, assuming that the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares of common stock offered by us, would increase or decrease, as applicable, the net proceeds to us by approximately \$ million, assuming the assumed initial public offering price of \$ per share (the midpoint of the price range set forth on the cover page of this prospectus) remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The principal purposes of this offering are to obtain additional capital to support our operations, to create a public market for our common stock and to facilitate our future access to the public equity markets. We anticipate that we will use the net proceeds of this offering as follows:

- approximately \$ million to \$ million to fund our planned registrational Phase 2/3 clinical trial of ENTO in combination with IC in AML patients with NPM1 mutations, which includes a \$29.0 million milestone payment by us to Gilead upon the initiation of this trial;
- approximately \$ million to \$ million to fund our planned Phase 1/2 clinical trial of KB-0742 for the treatment of advanced solid tumors; and
- the remainder for additional development activities for our SYK and CDK9 programs, continued discovery and preclinical development of additional product candidates, as well as working capital and other general corporate purposes.

We may also use a portion of the net proceeds from this offering to in-license, acquire, or invest in complementary businesses, technologies, products or assets. However, we have no current commitments or obligations to do so.

We believe that the net proceeds from this offering, together with our existing cash, cash equivalents, and short-term investments, will enable us to fund our operating expenses and capital expenditure requirements through at least the next months from the date of this offering. During this time, subject to the results of our planned End of Phase 2 meeting with the FDA and similar discussions with European regulatory agencies that we intend to have in the first half of 2021, we plan to initiate and complete a registrational Phase 2/3 clinical trial of ENTO in combination with IC in AML patients with NPM1 mutations, with an anticipated data readout in 2023. We also expect the net proceeds from this offering to enable us to complete our planned Phase 1/2 clinical trial of KB-0742 for the treatment of advanced solid tumors, with anticipated data readouts in 2021 and 2022. It is difficult to predict the cost and timing required to complete our clinical trials due to, among other factors, our lack of experience as a company with initiating and conducting clinical trials, the rate of patient enrollment in our planned clinical trials, filing requirements with and feedback from various regulatory agencies, clinical trial results, any impacts from the COVID-19 pandemic, and the actual costs of manufacturing and supplying our product candidates.

Our expected use of net proceeds from this offering represents our current intentions based upon our present plans and business condition. As of the date of this prospectus, we cannot predict with certainty all of the particular uses for the net proceeds to be received upon the closing of this offering, or the amounts that we will actually spend on the uses set forth above. The amounts and timing of our actual use of the net proceeds will vary depending on numerous factors, including our ability to obtain additional financing, the progress, cost and results of our preclinical and clinical development programs, and whether we are able to enter into future licensing or collaboration arrangements. We may find it necessary or advisable to use the net proceeds for other purposes, and our management will have broad discretion in the application of the net proceeds, and investors will be relying on our judgment regarding the application of the net proceeds from this offering. Our expected use of the net proceeds discussed above does not include any milestone payments we may be required to make to Gilead pursuant to the Gilead Asset Purchase Agreement, other than the \$29.0 million milestone payment described above.

Pending their use, we plan to invest the net proceeds from this offering in short- and medium-term, interest-bearing obligations, investment-grade instruments, certificates of deposit or direct or guaranteed obligations of the U.S. government.



#### **DIVIDEND POLICY**

We have never declared or paid cash dividends on our capital stock, and we do not currently intend to pay any cash dividends on our capital stock in the foreseeable future. We currently intend to retain all available funds and any future earnings, if any, to fund the development and expansion of our business. Any future determination related to dividend policy will be made at the discretion of our board of directors, subject to applicable laws, and will depend upon, among other factors, our results of operations, financial condition, contractual restrictions and capital requirements. In addition, our ability to pay cash dividends on our capital stock in the future may be limited by the terms of any future debt or preferred securities we issue or any credit facilities we enter into.

## CAPITALIZATION

The following table sets forth our cash, cash equivalents, and short-term investments and our capitalization as of June 30, 2020:

- on an actual basis;
- on a pro forma basis to give effect to (i) the conversion of all outstanding shares of our convertible preferred stock into an aggregate 21,504,893 shares of our common stock in connection with the closing of this offering, (ii) the settlement of the Gilead Note upon the closing of this offering through the payment of \$6.0 million plus accrued interest of approximately \$ (assuming a closing date of 2020) and a charge to accumulated deficit of \$ million, (iii) the receipt of \$151.3 million in net cash proceeds from the sale of the 2020 Notes in August 2020 and the settlement of the 2020 Notes into shares of our common stock and a charge to accumulated deficit of \$ million related to the settlement of the 2020 Notes, assuming an initial public offering price of \$ per share (the midpoint of the price range set forth on the cover page of this prospectus), in connection with the closing of this offering (which is reflected in pro forma cash and cash equivalents and additional paid in capital), and (iv) the filing and effectiveness of our amended and restated certificate of incorporation immediately prior to the closing of this offering; and
- on a pro forma as adjusted basis to give further effect to our sale of shares of our common stock in this offering at the assumed initial public offering price of \$ per share (the midpoint of the price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

This pro forma as adjusted information is illustrative only and will depend on the actual initial public offering price and other terms of this offering determined at pricing. The following table should be read together with the sections of this prospectus titled "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our financial statements and the related notes included elsewhere in this prospectus.

	As of June 30, 2020		
	Actual	Pro Forma <sup>(1)(3)</sup>	Pro Forma As Adjusted <sup>(2)(3)</sup>
	(unaudited)		
Cash, cash equivalents, and short-term investments	\$ 81,463	\$	\$
Convertible preferred stock, \$0.001 par value; 21,506,977 shares authorized; 21,504,893 shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	122,907		
Stockholders' (deficit) equity:			
Preferred stock, \$0.001 par value per share; no shares authorized, issued and outstanding, actual; 10,000,000 authorized, no shares issued or outstanding, pro forma and pro forma as adjusted			
Common stock, \$0.001 par value; 40,000,000 shares authorized, 5,641,763 shares issued and outstanding <sup>(4)</sup> , actual; 200,000,000 shares authorized, shares issued and outstanding, pro forma; 200,000,000 shares authorized, shares issued and outstanding, pro forma as adjusted.	6		
Additional paid-in capital	885		
Accumulated other comprehensive income	164		
Accumulated deficit	(39,036)		
Total stockholders' deficit	(37,981)		
Total capitalization	\$ 84,926	\$	\$

(1) At Gilead's election, the outstanding principal amount of the Gilead Note plus accrued interest thereon may be converted into shares of our common stock upon the closing of this offering at a conversion price equal to 85% of the initial public offering price per share. If such election were to occur, for illustrative purposes, assuming an initial public price of \$ per share (the midpoint of the price range set forth on the cover page of this prospectus) and an offering closing date of , 2020, this elected conversion would result in the issuance of shares of our common stock in lieu of cash settlement upon the closing of this offering. For additional details regarding the Gilead Note, see the section of this prospectus titled "Business—Strategic Agreements."

(2) Each \$1.00 increase or decrease in the assumed initial public offering price of \$ per share (the midpoint of the price range set forth on the cover page of this prospectus) would increase or decrease, as applicable, the pro forma as adjusted amounts of each of our cash, cash equivalents, and short-term investments, common stock and additional paid-in capital, total stockholders' equity (deficit), and total capitalization by approximately \$ 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 estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares offered by us would increase or decrease, as applicable, the pro forma as adjusted amounts of each of our cash, cash equivalents, and short-term investments, additional paid-in capital, total stockholders' equity (deficit) and total capitalization by approximately \$ million, assuming the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(3) This pro forma and pro forma as adjusted information is illustrative only and will depend on the actual initial public offering price and other terms of this offering determined at pricing.

(4) The number of shares of common stock actually issued and outstanding excludes 1,371,963 shares outstanding that are subject to forfeiture or our right to repurchase as of June 30, 2020 and which are therefore not considered outstanding for accounting purposes.

The number of shares of our common stock to be outstanding after this offering is based on 27,146,656 shares of common stock outstanding as of June 30, 2020 after giving effect to the pro forma adjustments described above (which excludes 1,371,963 shares outstanding that are subject to forfeiture

or our right to repurchase as of such date, and which are therefore not considered outstanding for accounting purposes), and excludes:

- 2,119,880 shares of our common stock issuable upon the exercise of outstanding stock options as of June 30, 2020, with a weighted-average exercise price of \$2.70 per share;
- \_\_\_\_\_ shares of our common stock issuable upon the exercise of outstanding stock options granted subsequent to June 30, 2020, with a weighted-average exercise price of \$ \_\_\_\_\_ per share;
- \_\_\_\_\_ shares of our common stock that would be issued to Gilead in the event Gilead elects to convert the principal amount of the Gilead Note and accrued interest thereon into \_\_\_\_\_ shares of our common stock in connection with the closing of this offering in lieu of cash settlement, which number of shares assumes an initial public price of \$ \_\_\_\_\_ per share (the midpoint of the price range set forth on the cover page of this prospectus) and an offering closing date of \_\_\_\_\_, 2020;
- \_\_\_\_\_ shares of common stock reserved for future issuance under the 2020 Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under the 2020 Plan, which will become effective upon the execution and delivery of the underwriting agreement for this offering (including \_\_\_\_\_ shares of common stock reserved for issuance under the Prior Plan, which shares will be added to the 2020 Plan upon its effectiveness); and
- \_\_\_\_\_ shares of common stock reserved for future issuance under the ESPP, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under the ESPP, which will become effective upon the execution and delivery of the underwriting agreement for this offering.

## DILUTION

If you invest in our common stock in this offering, your ownership interest will be diluted immediately 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 after this offering.

Our historical net tangible book deficit as of June 30, 2020 was \$(38.0) million, or \$(6.73) per share of our common stock. Our historical net tangible book deficit is the amount of our total tangible assets less our total liabilities and preferred stock, which is not included within stockholders' equity (deficit). Historical net tangible book deficit per share represents our historical net tangible book deficit divided by the number of shares of our common stock outstanding as of June 30, 2020 (excluding 1,371,693 shares subject to forfeiture or our right to repurchase).

Our pro forma net tangible book value as of June 30, 2020 was \$ , or \$ per share of our common stock. Pro forma net tangible book value represents the amount of our total tangible assets less our total liabilities, after giving effect to (i) the conversion of all outstanding shares of our convertible preferred stock into an aggregate 21,504,893 shares of our common stock in connection with the closing of this offering; (ii) the settlement of the Gilead Note upon the closing of this offering through the payment of \$6.0 million plus accrued interest of approximately \$ (assuming a closing date of , 2020); (iii) the receipt of \$151.3 million in net cash proceeds from the sale of the 2020 Notes in August 2020 and the settlement of the 2020 Notes into shares of our common stock, assuming an initial public offering price of \$ per share (the midpoint of the price range set forth on the cover page of this prospectus), in connection with the closing of this offering; and (iv) no election by Gilead to convert the principal amount of the Gilead Note and accrued interest thereon into shares of common stock in connection with the closing of this offering in lieu of cash settlement described in the foregoing clause (ii), which number of shares assumes an initial public price of \$ per share (the midpoint of the price range set forth on the cover page of this prospectus) and an offering closing date of , 2020. Pro forma net tangible book value per share represents our pro forma net tangible book value divided by the number of shares of our common stock outstanding as of June 30, 2020, after giving effect to the pro forma adjustments described above.

After giving further effect to our issuance and sale of shares of our common stock in this offering at the assumed initial public offering price of \$ per share (the midpoint of the price range set forth on the cover page of this prospectus) and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of June 30, 2020 would have been \$ million, or \$ per share. This represents an immediate increase in pro forma as adjusted net tangible book value per share of \$ to existing stockholders and immediate dilution of \$ in pro forma as adjusted net tangible book value per share to new investors purchasing common stock in this offering.

Dilution per share to new investors is determined by subtracting pro forma as adjusted net tangible book value per share after this offering from the initial public offering price per share paid by new investors. The following table illustrates this dilution on a per share basis:

Assumed initial public offering price per share	\$
Historical net tangible book value (deficit) per share as of June 30, 2020	\$
Pro forma increase per share attributable to the automatic conversion of preferred stock and the 2020 Notes upon the closing of this offering	_____
Pro forma net tangible book value per share as of June 30, 2020	_____
Increase in pro forma as adjusted 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 or decrease in the assumed initial public offering price of \$ \_\_\_\_\_ per share would increase or decrease, as applicable, our pro forma as adjusted net tangible book value by \$ \_\_\_\_\_ million, our pro forma as adjusted net tangible book value per share after this offering by \$ \_\_\_\_\_ and dilution per share to new investors purchasing shares in this offering by \$ \_\_\_\_\_, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions. An increase of 1.0 million shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase the pro forma as adjusted net tangible book value per share after this offering by \$ \_\_\_\_\_ and decrease the dilution per share to new investors participating in this offering by \$ \_\_\_\_\_, assuming no change in the assumed initial public offering price and after deducting estimated underwriting discounts and commissions. Similarly, each decrease of 1.0 million shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would decrease the pro forma as adjusted net tangible book value per share after this offering by \$ \_\_\_\_\_ and increase the dilution per share to new investors participating in this offering by \$ \_\_\_\_\_, assuming that the assumed initial public offering price remains the same and after deducting the estimated underwriting discounts and commissions.

If the underwriters exercise their option to purchase additional shares in full, our pro forma as adjusted net tangible book value per share after this offering would be \$ \_\_\_\_\_ per share, representing an immediate increase in pro forma as adjusted net tangible book value per share of \$ \_\_\_\_\_ to existing stockholders and immediate dilution in pro forma as adjusted net tangible book value per share of \$ \_\_\_\_\_ to new investors purchasing common stock in this offering, assuming an initial public offering price of \$ \_\_\_\_\_ per share (the midpoint of the price range set forth on the cover page of this prospectus), and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. If any shares are issued upon exercise of outstanding options, you will experience further dilution.

The following table summarizes, on the pro forma as adjusted basis described above, the differences between the number of shares of common stock purchased from us, the total consideration paid to us and the average price per share paid by existing stockholders and by new investors purchasing shares of common stock in this offering. The calculation below is based on an assumed initial public offering price of \$ \_\_\_\_\_ per share (the midpoint of the price range set forth on the cover page of this prospectus),

before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us:

	Shares Purchased		Total Consideration		Weighted-Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders		%	\$	%	\$
New investors					\$
<b>Total</b>		<b>100.0 %</b>	<b>\$</b>	<b>100.0 %</b>	

Each \$1.00 increase or decrease in the assumed initial public offering price of \$ per share would increase or decrease, as applicable, the total consideration paid by new investors by \$ million and, in the case of an increase, would increase the percentage of total consideration paid by new investors by percentage points and, in the case of a decrease, would decrease the percentage of total consideration paid by new investors by percentage points, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same. Similarly, each increase or decrease of 1.0 million shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase or decrease, as applicable, the total consideration paid by new investors by \$ million and, in the case of an increase, would increase the percentage of total consideration paid by new investors by percentage points and, in the case of a decrease, would decrease the percentage of total consideration paid by new investors by percentage points, assuming that the assumed initial public offering price remains the same.

The table above assumes no exercise of the underwriters' option to purchase additional shares in this offering. If the underwriters' option to purchase additional shares is exercised in full, the number of shares of our common stock held by existing stockholders would be reduced to % of the total number of shares of our common stock outstanding after this offering, and the number of shares of common stock held by new investors participating in the offering would be increased to % of the total number of shares of our common stock outstanding after this offering.

The foregoing tables and calculations are based on 27,146,656 shares of our common stock outstanding as of June 30, 2020 after giving effect to the pro forma adjustments described above (which excludes 1,371,963 shares outstanding that are subject to forfeiture or our right to repurchase as of such date, and which are therefore not considered outstanding for accounting purposes), and excludes:

- 2,119,880 shares of our common stock issuable upon the exercise of outstanding stock options as of June 30, 2020, with a weighted-average exercise price of \$2.70 per share;
- shares of our common stock issuable upon the exercise of outstanding stock options granted subsequent to June 30, 2020, with a weighted-average exercise price of \$ per share;
- shares of our common stock that would be issued to Gilead in the event Gilead elects to convert the principal amount of the Gilead Note and accrued interest thereon into shares of our common stock in connection with the closing of this offering in lieu of cash settlement, which number of shares assumes an initial public price of \$ per share (the midpoint of the price range set forth on the cover page of this prospectus) and an offering closing date of , 2020;
- shares of common stock reserved for future issuance under the 2020 Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under the 2020 Plan, which will become effective upon the execution and delivery of the underwriting agreement for this offering (including shares of common stock reserved for issuance under the Prior Plan, which shares will be added to the 2020 Plan upon its effectiveness); and

- shares of common stock reserved for future issuance under the ESPP, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under the ESPP, which will become effective upon the execution and delivery of the underwriting agreement for this offering.

To the extent that any outstanding options are exercised, or new options or other equity awards are issued under our equity incentive plans, you will experience further dilution. In addition, to the extent that additional capital is raised through the sale of equity or convertible debt securities in the future, the issuance of these securities may result in further dilution to our stockholders.



## SELECTED FINANCIAL DATA

The following tables set forth our selected financial data as of, and for the periods ended on, the dates indicated. We have derived the selected statements of operations data for the years ended December 31, 2018 and 2019 and the selected balance sheet data as of December 31, 2018 and 2019 from our audited financial statements included elsewhere in this prospectus. We have derived the selected statements of operations data for the six months ended June 30, 2019 and 2020 and the selected balance sheet data as of June 30, 2020 from our unaudited interim condensed financial statements included elsewhere in this prospectus. Our unaudited interim condensed financial statements have been prepared in a basis consistent with our audited financial statements and, in the opinion of management, reflect all adjustments, consisting solely of normal recurring adjustments, necessary for the fair presentation of the financial information in those statements. You should read the following selected financial data together with our financial statements and the related notes included elsewhere in this prospectus and in the section of this prospectus titled "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our historical results are not necessarily indicative of results that should be expected in any future period, and our results for any interim period are not necessarily indicative of results that should be expected for any full year.

	Year Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
(unaudited)				
(in thousands, except share and per share data)				
<b>Statements of Operations Data:</b>				
Operating expenses:				
Research and development	\$ 5,033	\$ 13,446	\$ 5,172	\$ 13,370
General and administrative	1,612	3,370	1,465	2,777
<b>Total operating expenses</b>	<b>6,645</b>	<b>16,816</b>	<b>6,637</b>	<b>16,147</b>
Loss from operations	(6,645)	(16,816)	(6,637)	(16,147)
Interest income (expense), net	(76)	699	(2)	573
<b>Net loss</b>	<b>\$ (6,721)</b>	<b>\$ (16,117)</b>	<b>\$ (6,639)</b>	<b>\$ (15,574)</b>
Net loss per share, basic and diluted <sup>(1)</sup>	\$ (1.46)	\$ (3.22)	\$ (1.38)	\$ (2.85)
Weighted-average shares of common stock, basic and diluted <sup>(1)</sup>	4,604,254	5,003,528	4,823,273	5,463,891
Pro forma net loss per share, basic and diluted (unaudited) <sup>(1)</sup>	\$ (0.81)	\$ (0.81)	\$ (0.81)	\$ (0.58)
Pro forma-weighted average shares of common stock, basic and diluted (unaudited) <sup>(1)</sup>		19,811,235		26,968,784

(1) See Notes 12 and 13 to our financial statements included elsewhere in this prospectus for details on the calculation of our basic and diluted net loss per share and our basic and diluted pro forma net loss per share, and the weighted-average number of shares used in computing the per share amounts

	As of December 31,		As of June 30,
	2018	2019	2020
	(in thousands)		
<b>Balance Sheet Data:</b>			
Cash, cash equivalents, and short-term investments	\$ 10,226	\$ 92,184	\$ 81,463
Working capital <sup>(1)</sup>	9,230	90,606	76,353
Total assets	12,614	102,686	120,534
Convertible preferred stock	17,985	122,907	122,907
Total stockholders' deficit	(7,296)	(23,203)	(37,981)

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

**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 together with the section of this prospectus titled "Selected Financial Data" and our financial statements and the related notes included elsewhere in this prospectus. This discussion and other parts of this prospectus contain forward-looking statements that involve risks and uncertainties, such as statements of our plans, objectives, expectations, and intentions. As a result of many factors, including those factors set forth in the section of this prospectus titled "Risk Factors," our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

**Overview**

We are a clinical-stage biopharmaceutical company dedicated to the discovery and development of novel cancer therapeutics designed to transform patient outcomes through a precision medicine strategy by targeting dysregulated transcription. Our proprietary product engine focuses on dysregulated transcription factors and the TRNs that drive their oncogenic activity. Our lead product candidate, ENTO, is an orally administered, selective SYK inhibitor that has been tested in 148 AML patients. Based on clinical results in a biomarker-defined subset of patients and subject to discussions with regulatory agencies that we intend to have in the first half of 2021, we plan to initiate a registrational Phase 2/3 clinical trial in 2021 in newly-diagnosed AML patients with NPM1 mutations, with an anticipated data readout in 2023. We are also planning to initiate a Phase 1/2 clinical trial in patients with relapsed or refractory FLT3 mutated AML in 2021, with an anticipated data readout in 2022. In addition, we are developing KB-0742, which is designed to be an orally bioavailable inhibitor of CDK9 with a differentiated selectivity profile, for the treatment of MYC-amplified solid tumors. Subject to clearance of an IND for KB-0742, which we plan to submit in the fourth quarter of 2020, we plan to initiate a Phase 1/2 clinical trial in patients with advanced solid tumors in 2021. In addition, we are leveraging our product engine to drive multiple oncology discovery programs targeting dysregulated transcription factors and their associated TRNs.

In July 2020, we entered into an asset purchase agreement to acquire a portfolio of selective, orally bioavailable small molecule inhibitors of SYK from Gilead. Our expertise in TRN biology allowed us to recognize SYK as a critical node in the HOX/MEIS TRN. This acquisition accelerated our pipeline to late clinical stage. The acquisition included our two clinical-stage compounds ENTO and LANRA.

The following chart summarizes the current stages of our development programs, including our lead product candidate, ENTO, as well as KB-0742, and our next anticipated milestones.

Product Candidate	Discovery	IND-Enabling Studies	Phase 1 Trial	Phase 2 Trial	Phase 3 Trial	Next Anticipated Milestones
Entospletinib (SYK inhibitor)	HOXA9/MEIS1 - AML					<ul style="list-style-type: none"> <li>H1 2021: End of Phase 2 meeting</li> <li>2021: Initiate NPM1 mt AML registrational Phase 2/3 clinical trial pending regulatory feedback from planned meetings</li> <li>2023: Topline data readout of NPM1 mt AML registrational trial</li> </ul>
	FLT3 mt - AML					<ul style="list-style-type: none"> <li>2021: Initiate FLT3 mt AML Phase 1/2 clinical trial</li> <li>2022: Topline data readout of FLT3 mt AML Phase 1/2 clinical trial</li> </ul>
KB-0742 (CDK9 inhibitor)	MYC - Amplified Solid Tumors					<ul style="list-style-type: none"> <li>Q4 2020: IND submission</li> <li>2021: Initiate solid tumor Phase 1/2 clinical trial</li> <li>2021: Topline data readout of Phase 1/2 clinical trial dose escalation cohorts</li> <li>2022: Topline data readout of Phase 1/2 clinical trial expansion cohorts</li> </ul>

mt: mutant

In addition, we have discovery efforts focused on four cancer types where dysregulated transcription plays a central role: hematologic malignancies, prostate cancer, MYC-driven cancers, and small cell/neuroendocrine cancers. Our active discovery programs are focused on the specific TRNs noted in the following chart. We anticipate submitting an IND for a drug candidate arising from one of these programs in 2022.

TRN	Indication	Discovery	IND-Enabling Studies	Phase 1 Trial	Phase 2 Trial	Phase 3 Trial	Next Anticipated Milestone
MYB	AML						First IND filing in 2022 from among these programs
ARV7	Prostate Cancer						
IRF4	Multiple Myeloma						
ASCL1	Small Cell / Neuroendocrine Cancers						

We were incorporated in June 2017. To date, we have devoted substantially all of our resources to organizing and staffing our company, business planning, raising capital, identifying, acquiring and developing our product candidates, building our product engine, establishing our intellectual property portfolio, and providing general and administrative support for these operations. We have principally financed our operations to date through private placements of preferred stock and convertible debt, and to a lesser extent, option exercises. Since our inception, we have received aggregate gross proceeds of \$278.2 million from sales of our preferred stock and our issuance of convertible debt. As of June 30, 2020, we had cash, cash equivalents and short-term investments of \$81.5 million, which does not include the aggregate net proceeds of \$151.3 million we received from the issuance and sale of the 2020 Notes in August 2020. Based on our current operating plan, we estimate that the anticipated net proceeds from this offering, together with our existing cash, cash equivalents, and short-term investments, along with the net proceeds from this offering, will be sufficient to fund our operating expenses and capital expenditure requirements through at least the next months. We have incurred significant operating losses since our inception and expect to continue to incur significant and increasing operating losses for at least the next several years. We do not have any products approved for sale, we have not generate any revenue from the sale of products, and our ability to generate product revenue sufficient to achieve profitability will depend on the successful development and eventual commercialization of one or more of our current or future product candidates. Our net losses were \$6.7 million and \$16.1 million for the years ended December 31, 2018 and 2019, respectively, and \$6.6 million and \$15.6 million for the six months ended June 30, 2019 and 2020, respectively. As of June 30, 2020, we had an accumulated deficit of \$39.0 million.

We anticipate that our expenses will increase substantially for the foreseeable future if and as we continue our development of, and seek regulatory approvals for, our product candidates and begin to commercialize any approved products, seek to expand our product pipeline, invest in our organization and product engine, as well as incur expenses associated with operating as a public company. Our net losses may fluctuate significantly from quarter-to-quarter and year-to-year, depending on a variety of factors. As a result, we will need substantial additional financing to support our continuing operations and further the development of and commercialize our product candidates. Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through public or private equity or debt financings or other capital sources, which may include strategic collaborations or other arrangements with third parties. We may be unable to raise additional funds or enter into such other agreements or arrangements when needed on favorable terms, or at all. If we are unable to raise capital or enter into such agreements as and when needed, we may have to significantly delay, scale back or discontinue the development or commercialization of one or more of our product candidates. Insufficient liquidity may also require us to relinquish rights to product candidates at an earlier stage of development or on less favorable terms than we would otherwise choose. Our ability to raise

additional funds may be adversely impacted by potential worsening global economic conditions and disruptions to and volatility in the credit and financial markets in the United States and worldwide resulting from the ongoing COVID-19 pandemic or otherwise. Because of the numerous risks and uncertainties associated with product development, we are unable to predict the timing or amount of increased expenses or when or if we will be able to achieve or maintain profitability. Even if we are able to generate revenue from product sales, we may not become profitable. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and be forced to reduce or terminate our operations.

We do not own or operate, and currently have no plans to establish, any manufacturing facilities. We currently rely, and expect to continue to rely for the foreseeable future, on third parties for the manufacture of our product candidates for preclinical and clinical testing, as well as for commercial manufacture of any products that we may commercialize. In this regard, while we have purchased initial inventory of APIs and clinical drug supply for ENTO and LANRA from Gilead under the Gilead Asset Purchase Agreement, we will need to obtain further supplies of APIs and clinical drug supply for ENTO, KB-0742 and, if we choose to develop it, LANRA, from third-party manufacturers. We expect to initially obtain our supplies from manufacturers on a purchase order basis without long-term supply arrangements in place. We do not currently have arrangements in place for redundant supply for APIs and drug product. For all of our product candidates, we intend to identify and qualify manufacturers to provide the APIs and drug product prior to submission of an NDA to the FDA or other marketing authorization applications to other regulatory authorities. All our product candidates are compounds of low molecular weight, generally called small molecules. They can be manufactured from readily available starting materials in reliable and reproducible synthetic processes that are amenable to scale-up and do not require specialized equipment in the manufacturing process. We expect to continue to develop product candidates that can be produced cost-effectively at contract manufacturing facilities.

In addition, given our stage of development, we have not yet established a commercial organization or distribution capabilities. We intend to build a commercial infrastructure to support sales of any of our approved products. We expect to manage sales, marketing and distribution through internal resources and third-party relationships. While we may commit significant financial and management resources to commercial activities, we will also consider collaborating with one or more pharmaceutical companies to enhance our commercial capabilities.

The global COVID-19 pandemic continues to rapidly evolve, and we will continue to monitor the COVID-19 situation closely. The extent of the impact of the COVID-19 on our business, operations and clinical development timelines and plans remains uncertain, and will depend on certain developments, including the duration and spread of the outbreak and its impact on our clinical trial enrollment, trial sites, CROs, CMOs, and other third parties with whom we do business, as well as its impact on regulatory authorities and our key scientific and management personnel. In addition, we also experienced delays in our discovery and development activities as a result of the COVID-19 pandemic, primarily due to temporary and partial shutdowns at certain of our CROs that have since resumed normal operations, and due to the California and Massachusetts stay-at-home orders where our operations are located. However, to the extent possible, we are conducting business as usual, with necessary or advisable modifications to employee travel and most of our employees working remotely. We will continue to actively monitor the rapidly evolving situation related to COVID-19 and may take further actions that alter our operations, including those that may be required by federal, state or local authorities, or that we determine are in the best interests of our employees and other third parties with whom we do business. At this point, the extent to which the COVID-19 pandemic may affect our business, operations and clinical development timelines and plans, including the resulting impact on our expenditures and capital needs, remains uncertain and is subject to change.

## **Strategic Agreements**

Below is a summary of the key terms for certain of our strategic agreements. For a more detailed description of these and our other license agreements, see the section of this prospectus titled "Business—Strategic Agreements."

### ***Gilead Asset Purchase Agreement***

In July 2020, we entered into the Gilead Asset Purchase Agreement, pursuant to which we acquired certain assets from and assumed certain liabilities of Gilead related to ENTO and LANRA, and patents and other intellectual property covering or related to the development, manufacture and commercialization of ENTO and LANRA.

In consideration for such assets, on the date of the Gilead Asset Purchase Agreement, we made a \$3.0 million upfront cash payment and issued a \$3.0 million principal amount convertible promissory note to Gilead (Gilead Note). We also made a \$0.7 million payment to reimburse Gilead for certain liabilities we assumed pursuant to the Gilead Asset Purchase Agreement. In addition, we are required to make milestone payments upon successful achievement of certain regulatory and sales milestones for ENTO, LANRA and other SYK inhibitor compounds covered by the patent rights acquired pursuant to the Gilead Asset Purchase Agreement and developed by us as a back-up to ENTO or LANRA (Other Compounds). Upon initiation of our planned registrational Phase 2/3 clinical trial of ENTO in combination with IC in AML patients with NPM1 mutations, we will be required to pay a milestone to Gilead of \$29.0 million, and upon successful completion of certain other regulatory milestones in the United States, European Union and United Kingdom for ENTO, LANRA and any Other Compounds, across up to two distinct indications, we will be required to pay to Gilead an aggregate total of \$51.25 million. Upon achieving certain thresholds for the aggregate annual net sales of ENTO, LANRA and any Other Compounds combined, we would owe to Gilead potential milestone payments totaling \$115.0 million.

Gilead is also eligible to receive (i) tiered marginal royalties ranging from the very low-teens to high-teens on annual worldwide net sales of ENTO, (ii) tiered marginal royalties ranging from high-single digits to the mid-teens on annual worldwide net sales of LANRA and (iii) tiered marginal royalties ranging from the low single digits to mid-single digits on annual worldwide net sales of any Other Compounds. The royalties in the foregoing clauses are subject to reduction, on a country-by-country basis, for products not covered by certain claims within the assigned patents, for generic entry and, in the case of ENTO and LANRA, for any royalties paid for future licenses of third party intellectual property required to develop or commercialize ENTO or LANRA. Our royalty obligation with respect to a given product in a given country begins upon the first commercial sale of such product in such country and ends on the latest of (i) expiration of the last claim of a defined set of the assigned patent rights covering such product in such country; (ii) loss of exclusive data or marketing rights to such product in such country; or (iii) 10 years from the first commercial sale of such product in such country.

Under the Gilead Asset Purchase Agreement, we are required to use commercially reasonable efforts to develop, obtain regulatory approval for and commercialize either ENTO or LANRA.

### ***Harvard License Agreement***

In January 2018, we entered into a license agreement with President and Fellows of Harvard College (Harvard), pursuant to which Harvard granted us a non-exclusive, worldwide, royalty-free license to certain intellectual property for the purpose of commercializing products relating to our SMM platform. We paid a one-time license fee in the amount of \$10,000 on the date of the agreement and an annual license maintenance fee of \$20,000 on each of the first two anniversaries. We are required to pay \$25,000 on each subsequent anniversary until the last to expire of any valid claim included in the licensed patents.

## Components of Our Results of Operations

### Operating Expenses

Our operating expenses consisted of research and development expenses and general and administrative expenses.

#### Research and Development Expenses

Our research and development expenses consist primarily of direct and indirect costs incurred in connection with our therapeutic discovery efforts and the preclinical and clinical development of our product candidates, as well as the development of our product engine.

Direct costs include:

- expenses incurred under agreements with CROs and other vendors that conduct our clinical trials and preclinical activities;
- costs of outside consultants, including their fees, stock-based compensation and related travel expenses;
- costs of acquiring, developing, and manufacturing clinical trial materials and lab supplies; and
- payments made under third-party strategic agreements.

Indirect costs include:

- personnel costs, which include salaries, benefits, and other employee related costs, including stock-based compensation, for personnel engaged in research and development functions;
- costs related to compliance with regulatory requirements; and
- facilities costs, depreciation and other expenses, which include direct and allocated expenses for rent and maintenance of facilities, insurance and other supplies.

We expense research and development costs as the services are performed or the goods are received. We recognize costs for certain development activities based on an evaluation of the progress to completion of specific tasks using information provided to us by our vendors and our internal management. Payments for these activities are based on the terms of the individual agreements, which may differ from the pattern of costs incurred, and are reflected in our financial statements as prepaid or accrued research and development expenses.

Because we are working on multiple research and development programs at any one time, we track our direct costs by the stage of program, clinical or preclinical. In the periods presented, we have not incurred clinical program research and development costs. In future periods when clinical trial expenses are incurred, our direct costs will be broken out between our clinical programs and our preclinical programs. However, our internal costs, employees and infrastructure are not directly tied to any one program and are deployed across multiple programs. As such, we do not track indirect costs on a specific program basis.

Our research and development expenses may vary significantly based on a variety of factors, such as:

- the scope, rate of progress, expense and results of our preclinical development activities;
- per patient trial costs;
- the number of trials required for approval; the number of sites included in the trials;

- the number of patients that participate in the trials;
- the countries in which the trials are conducted;
- uncertainties in clinical trial design and patient enrollment or drop out or discontinuation rates, particularly in light of the current COVID-19 pandemic environment;
- potential additional safety monitoring requested by regulatory agencies;
- the duration of patient participation in the trials and follow-up;
- the safety and efficacy of our product candidates;
- the timing, receipt, and terms of any approvals from applicable regulatory authorities including the FDA and non-U.S. regulators;
- significant and changing government regulation and regulatory guidance;
- potential additional trials requested by regulatory agencies;
- establishing clinical and commercial manufacturing capabilities or making arrangements with third-party manufacturers in order to ensure that we or our third-party manufacturers are able to make product successfully;
- the extent to which we establish additional strategic collaborations or other arrangements;
- the impact of any business interruptions to our operations or to those of the third parties with whom we work, particularly in light of the current COVID-19 pandemic environment;
- the expense of filing, prosecuting, defending, and enforcing any patent claims and other intellectual property rights; and
- maintaining a continued acceptable safety profile of our product candidates following approval, if any, of our product candidates.

A change in the outcome of any of these variables with respect to the development of any of our product candidates could significantly change the costs and timing associated with the development of that product candidate.

We expect that our research and development expenses will continue to increase substantially for the foreseeable future as we continue to identify and develop additional product candidates and as more of our product candidates move into later stages of clinical development, which typically have higher development costs than those in earlier stages of clinical development due to the increased size and duration of later-stage clinical trials.

The process of conducting the necessary preclinical and clinical research to obtain regulatory approval is costly and time-consuming. The actual probability of success for our product candidates may be affected by a variety of factors. We may never succeed in achieving regulatory approval for any of our product candidates. Further, a number of factors, including those outside of our control, could adversely impact the timing and duration of our product candidates' development, which could increase our research and development expenses.

#### *General and Administrative Expenses*

General and administrative expenses consist primarily of personnel costs, which include salaries, benefits and other employee related costs, such as stock-based compensation, for personnel in our executive, finance, corporate and business development, and administrative functions. General and administrative expenses also include legal fees relating to patent and corporate matters; professional fees



for accounting, auditing, tax and consulting services; insurance costs; recruiting costs; travel expenses; and facilities-related costs.

We expect that our general and administrative expenses will continue to increase substantially for the foreseeable future as we continue to increase our general and administrative personnel headcount to support personnel in research and development, and to support our operations generally as we increase our research and development activities and activities related to the potential commercialization of our product candidates. We also expect to incur increased expenses associated with operating as a public company, including costs of accounting, audit, legal, regulatory and tax-related services associated with maintaining compliance with exchange listing and SEC requirements, director and officer insurance costs, and investor and public relations costs.

#### Interest Income (Expense), Net

Interest income (expense), net primarily consists of interest earned on our cash, cash equivalents and investments. We anticipate that our interest income will increase in the future as we expect our investment balances to be higher due to anticipated cash proceeds from this offering.

#### Results of Operations

##### Comparison of Six Months Ended June 30, 2019 and 2020

The following table summarizes our results of operations for the six months ended June 30, 2019 and 2020:

	Six Months Ended June 30,		Change
	2019	2020	
	(in thousands)		
Operating expenses:			
Research and development	\$ 5,172	\$ 13,370	\$ 8,198
General and administrative	1,465	2,777	1,312
Total operating expenses	6,637	16,147	9,510
Loss from operations	(6,637)	(16,147)	(9,510)
Interest income (expense), net	(2)	573	575
Net loss	\$ (6,639)	\$ (15,574)	\$ (8,935)

##### Research and Development Expenses

The following table summarizes our research and development expenses for the six months ended June 30, 2019 and 2020:

	Six Months Ended June 30,		Change
	2019	2020	
	(in thousands)		
Direct Costs <sup>(1)</sup>	\$ 2,848	\$ 6,206	\$ 3,358
Indirect Costs:			
Personnel	934	4,134	3,200
Facilities, depreciation and other expenses	1,390	3,030	1,640
Total research and development expenses	\$ 5,172	\$ 13,370	\$ 8,198

(1) In future periods when clinical trial expenses are incurred, direct costs will be broken out between our clinical programs and our preclinical programs.

Research and development expenses were \$5.2 million for the six months ended June 30, 2019, compared to \$13.4 million for the six months ended June 30, 2020. The increase of \$8.2 million was primarily due to an increase of \$3.2 million in personnel costs primarily attributable to increased research and development personnel headcount, including \$0.3 million of additional stock-based compensation, an increase of \$3.0 million in outside and consulting research expenses and an increase of \$0.4 million in lab supplies related to increased development activity in connection with our preclinical product candidates, and an increase of \$1.6 million in facilities, depreciation and other expenses primarily attributable to the commencement of the lease for our 301 Binney facility (as described below) in March 2020.

*General and Administrative Expenses*

General and administrative expenses were \$1.5 million for the six months ended June 30, 2019 compared to \$2.8 million for the six months ended June 30, 2020. The increase of \$1.3 million was primarily due to an increase of \$0.6 million in professional fees primarily attributable to legal and outside consultant costs, an increase of \$0.5 million in other expenses primarily attributable to employee onboarding costs and an increase of \$0.2 million in personnel costs primarily attributable to increased general and administrative personnel headcount to support the growth of our research and development organization.

*Interest Income (Expense), Net*

Interest income (expense), net primarily consists of interest earned on our cash, cash equivalents, and investments.

**Comparison of Years Ended December 31, 2018 and 2019**

The following table summarizes our results of operations for the years ended December 31, 2018 and 2019:

	Year Ended December 31,		Change
	2018	2019	
(in thousands)			
Operating expenses:			
Research and development	\$ 5,033	\$ 13,446	\$ 8,413
General and administrative	1,612	3,370	1,758
Total operating expenses	6,645	16,816	10,171
Loss from operations	(6,645)	(16,816)	(10,171)
Interest income (expense), net	(76)	699	775
Net loss	\$ (6,721)	\$ (16,117)	\$ (9,396)

## Research and Development Expenses

The following table summarizes our research and development expenses for the years ended December 31, 2018 and 2019:

	Year Ended		Change
	2018	2019	
		(in thousands)	
Direct Costs <sup>(1)</sup>	\$ 3,481	\$ 7,760	\$ 4,279
Indirect Costs:			
Personnel	792	2,642	1,850
Facilities, depreciation and other expenses	760	3,044	2,284
Total research and development expenses	\$ 5,033	\$ 13,446	\$ 8,413

(1) In future periods when clinical trial expenses are incurred, direct costs will be broken out between our clinical programs and our preclinical programs.

Research and development expenses were \$5.0 million for the year ended December 31, 2018, compared to \$13.4 million for the year ended December 31, 2019. The increase of \$8.4 million was primarily due to an increase of \$3.5 million in outside and consulting research expenses and an increase of \$0.7 million in lab supplies related to increased development activity in connection with our preclinical product candidates, an increase of \$1.9 million in personnel costs primarily attributable to increased research and development personnel headcount, including \$0.1 million of additional stock-based compensation, and an increase of \$2.3 million in facilities, depreciation and other expenses primarily attributable to our lab facilities move which took place in December 2018.

### General and Administrative Expenses

General and administrative expenses were \$1.6 million for the year ended December 31, 2018 compared to \$3.4 million for the year ended December 31, 2019. The increase of \$1.8 million was primarily due to an increase of \$0.8 million in personnel costs primarily attributable to increased general and administrative personnel headcount to support the growth of our research and development organization and an increase of \$0.6 million in professional fees primarily attributable to legal and outside consultant costs, and an increase of \$0.2 million in facilities costs related to our office space lease that commenced in August 2018.

### Interest Income (Expense), Net

Interest income (expense), net primarily consists of interest earned on our cash, cash equivalents, and investments.

## Liquidity and Capital Resources

### Sources of Liquidity

To date, we have financed our operations primarily through private placements of preferred stock and convertible debt, and have devoted substantially all of our resources to organizing and staffing our company, business planning, raising capital, identifying, acquiring and developing our product candidates, building our product engine, establishing our intellectual property portfolio, and providing general and administrative support for these operations. Since our inception, we have received aggregate gross proceeds of \$278.2 million from sales of our preferred stock and our issuance of convertible debt. As of June 30, 2020, we had cash, cash equivalents and short-term investments of \$81.5 million, which does not include the aggregate net proceeds of \$151.3 million we received from the issuance and sale of the 2020 Notes in August 2020. Since our inception, we have not generated any revenue from product sales.

or any other sources, and have incurred significant operating losses. We have not yet commercialized any products and we do not expect to generate revenue from sales of any product candidates for several years, if ever.

#### **Future Funding Requirements**

Based on our current operating plan, we estimate that our existing cash, cash equivalents, and short-term investments, along with the anticipated net proceeds from this offering, will be sufficient to fund our operating expenses and capital expenditure requirements through at least the next \_\_\_\_\_ months. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we expect. Because of the numerous risks and uncertainties associated with the development of product candidates and programs and because the extent to which we may enter into strategic collaborations or other arrangements with third parties for development of our product candidates is unknown, we are unable to estimate the timing and amounts of increased capital outlays and operating expenses associated with completing the research and development of our product candidates.

We anticipate that our expenses will increase substantially for the foreseeable future if and as we:

- initiate and continue research and preclinical and clinical development of our product candidates, including in particular our planned registrational Phase 2/3 clinical trial of ENTO in combination with IC in AML patients with NPM1 mutations;
- seek to identify and develop additional product candidates;
- continue to invest in our product engine;
- incur costs associated with CROs and CMOs in connection with our preclinical studies and clinical trials;
- require the manufacture of larger quantities of our product candidates for clinical development and potentially commercialization;
- implement operational, financial and management information systems;
- hire and retain additional clinical, quality control and scientific personnel;
- incur additional expenses as a public company;
- maintain, expand, and protect our intellectual property portfolio;
- potentially acquire or in-license other product candidates or technologies or enter into additional strategic collaborations or other arrangements with third parties;
- pursue marketing approvals for any of our product candidates that successfully complete clinical trials, if any;
- establish a sales, marketing, and distribution infrastructure to commercialize any products for which we may obtain marketing approval; and
- experience any delays or encounter any issues with any of the above, including the risk of each of which may be exacerbated by the ongoing COVID-19 pandemic.

Our future funding requirements will depend on these and other factors.

Developing pharmaceutical products, including conducting preclinical studies and clinical trials, is a time-consuming, expensive and uncertain process that takes years to complete, and we may never generate the necessary data or results required to obtain marketing approval for any product candidates

or generate revenue from the sale of any product candidate for which we may obtain marketing approval. In addition, our product candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of drugs that we do not expect to be commercially available for at least several years, if ever. As a result, we will need substantial additional financing to support our continuing operations and further the development of and commercialize our product candidates.

Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through public or private equity or debt financings or other capital sources, which may include strategic collaborations or other arrangements with third parties. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest may be diluted, and the terms of these securities may include liquidation or other preferences and anti-dilution protections that could adversely affect your rights as a common stockholder. Additional debt or preferred equity financing, if available, may involve agreements that include restrictive covenants that may limit our ability to take specific actions, such as incurring debt, making capital expenditures or declaring dividends, which could adversely impact our ability to conduct our business, and may require the issuance of warrants, which could potentially dilute your ownership interest. If we raise additional funds through strategic collaborations or other arrangements with third parties, we may have to relinquish valuable rights to our technology, future revenue streams, research programs, or product candidates or grant licenses on terms that may not be favorable to us. Our ability to raise additional funds may be adversely impacted by potential worsening global economic conditions and disruptions to and volatility in the credit and financial markets in the United States and worldwide resulting from the ongoing COVID-19 pandemic or otherwise. If we are unable to raise additional funds as needed, we may be required to delay, limit, reduce and/or terminate our product development programs or any future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

#### Cash Flows

The following table summarizes our sources and uses of cash for each of the periods presented:

	Year Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
	(in thousands)			
Cash used in operating activities	\$ (6,441)	\$ (15,082)	\$ (6,654)	\$ (11,996)
Cash used in investing activities	(1,075)	(67,581)	(852)	19,301
Cash provided by financing activities	16,218	105,007	54,781	117
Net increase in cash and cash equivalents	\$ 8,702	\$ 22,344	\$ 47,275	\$ 7,422

#### Operating Activities

During the six months ended June 30, 2020, cash used in operating activities was \$12.0 million, which was primarily attributable to our net loss of \$15.6 million, partially offset by non-cash charges of \$2.0 million and cash provided by changes in our operating assets and liabilities of \$1.6 million. Net cash provided by changes in our operating assets and liabilities of \$1.6 million during the six months ended June 30, 2020 consisted of a net increase of \$1.9 million in operating liabilities, offset by a \$0.3 million increase in operating liabilities.

During the six months ended June 30, 2019, cash used in operating activities was \$6.7 million, which was primarily attributable to our net loss of \$6.6 million, partially increased by cash used in changes in our operating assets and liabilities of \$0.3 million and offset by non-cash charges of \$0.2 million. Net cash used in changes in our operating assets and liabilities of \$0.3 million during the six months ended June 30, 2019 consisted of an increase of \$0.2 million in prepaid expenses and other assets as well as a decrease of \$0.2 million in other liabilities, partially offset by a \$0.1 million increase in accounts payable.

and accrued expenses. The increase in accounts payable and accrued expenses was largely due to an increase in external research and development costs. The increase in prepaid expenses and other current assets was due to prepaid rent.

During the year ended December 31, 2019, cash used in operating activities was \$15.1 million, which was primarily attributable to our net loss of \$16.1 million, partially offset by non-cash charges of \$0.8 million and cash provided by changes in our operating assets and liabilities of \$0.3 million. Net cash provided by changes in our operating assets and liabilities of \$0.3 million during the year ended December 31, 2019 consisted of an increase of \$1.3 million in accounts payable and accrued expenses as well as a decrease of \$(0.2) million related to other long-term assets, partially offset by an increase of \$0.6 million in prepaid expenses and other current assets and a decrease of \$0.0 million in other liabilities. The increase in accounts payable and accrued expenses was largely due to an increase in external research and development costs. The increase in prepaid expenses and other current assets was due to interest earned on available-for-sale securities.

During the year ended December 31, 2018, cash used in operating activities was \$6.4 million, which was primarily attributable to our net loss of \$6.7 million, partially offset by \$0.1 million of cash provided by changes in our operating assets and non-cash charges of \$0.2 million. Net cash provided by changes in operating assets and liabilities of \$0.1 million during the year ended December 31, 2018 consisted of an increase in other long-term assets of \$0.2 million, offset by an increase in other liabilities of \$0.2 million and an increase of \$0.2 million in accounts payable and accrued expenses. The increase in other long-term assets and other liabilities was primarily due to recognition of the right of use operating lease for our office space.

#### *Investing Activities*

During the six months ended June 30, 2020, cash provided by investing activities was \$19.3 million, consisting of \$29.2 million in investment maturities, partially offset by \$8.2 million of net investment purchases and \$1.7 million for the purchase of property and equipment.

During the six months ended June 30, 2019, cash used in investing activities was \$0.8 million, consisting of \$0.8 million for the purchase of property and equipment.

During the year ended December 31, 2019, cash used in investing activities was \$67.6 million, consisting of \$64.6 million of net investment purchases and \$2.9 million for the purchase of property and equipment.

During the year ended December 31, 2018, cash used in investing activities was \$1.1 million, consisting of purchases of property and equipment.

#### *Financing Activities*

During the six months ended June 30, 2020, net cash provided by financing activities was \$0.1 million, consisting primarily of proceeds from the exercise of stock options of \$0.1 million.

During the six months ended June 30, 2019, net cash provided by financing activities was \$54.8 million, consisting primarily of net proceeds of \$54.8 million from our sales of shares of our Series A convertible preferred stock received as of June 30, 2019.

During the year ended December 31, 2019, net cash provided by financing activities was \$105.0 million, consisting of net proceeds of \$104.9 million from our sales of shares of our Series A convertible preferred stock and proceeds from the exercise of stock options of \$0.1 million.

During the year ended December 31, 2018, net cash provided by financing activities was \$16.2 million, consisting primarily of net proceeds from our sales of Series Seed convertible preferred stock.

## Contractual Obligations and Commitments

The following table summarizes our contractual obligations and commitments as of December 31, 2019:

	Payments Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Operating lease obligations <sup>(1)</sup>	\$ 541	\$ 322	\$ 219	\$ —	\$ —
Finance lease obligations	39	33	6	—	—
<b>Total</b>	<b>\$ 580</b>	<b>\$ 355</b>	<b>\$ 225</b>	<b>\$ —</b>	<b>\$ —</b>

(1) Represents payments due for our lease of office space in San Mateo, California under an office lease agreement that expires in April 2025.

In 2020, we entered into additional lease agreements to expand our office and lab spaces. In March 2020, we entered into an 11-year lease agreement to move our research and development operations to a 40,514 square-foot facility at 301 Binney Street, Cambridge, Massachusetts (301 Binney facility). The initial annual base rent is approximately \$4.1 million and such amount will increase by 3% annually on each anniversary of the rent commencement date, which is October 2020.

In May 2020, we amended our agreement to extend the lease for our office space in San Mateo, California through April 2025. The initial annual base rent is approximately \$0.3 million, and such amount will increase by 3.0% annually on each anniversary of the commencement date. In July 2020, we expanded to an adjacent suite for an additional lease through April 2025 with similar economic terms.

Pursuant to the Gilead Asset Purchase Agreement we entered into in July 2020, we are obligated to make milestone payments upon the achievement of specified regulatory and clinical milestones as well as royalty payments. We have not included future payments under this agreement in the table above since the payment obligations under this agreement are contingent upon future events, such as our achievement of specified milestones or generating product sales. We are currently unable to estimate the timing or likelihood of achieving these milestones or generating future product sales. See the subsection titled “—Strategic Agreements—Gilead Asset Purchase Agreement” above.

In August 2020, we sold and issued approximately \$155.2 million aggregate principal amount of 2020 Notes in a private placement transaction. See Note 18 included elsewhere in this prospectus for additional information.

We enter into contracts in the normal course of business with CROs for clinical trials, preclinical research studies and testing, manufacturing and other services and products for operating purposes. These contracts do not contain any minimum purchase commitments and are generally cancellable by us upon prior notice and, as a result, are not included in the table of contractual obligations above. Payments due upon cancellation consist only of payments for services provided and expenses incurred up to the date of cancellation.

### Critical Accounting Policies and Use of Estimates

Our management’s discussion and analysis of financial condition and results of operations is based on our financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of our financial statements and related disclosures requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, costs and expenses and the disclosure of contingent assets and liabilities in our financial statements. We base our estimates on historical experience, known trends and events and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We

evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

The full extent to which the COVID-19 pandemic will directly or indirectly impact our business, results of operations and financial condition, including expenses, clinical trials and research and development costs, will depend on future developments that are highly uncertain, including as a result of new information that may emerge concerning COVID-19 and the actions taken to contain or treat COVID-19, as well as the economic impact on local, regional, national and international markets. We have made estimates of the impact of COVID-19 within our financial statements and there may be changes to those estimates in future periods. Actual results could differ from our estimates.

While our significant accounting policies are described in more detail in the notes to our financial statements included elsewhere in this prospectus, we believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our financial statements.

#### **Accrued Research and Development Expenses**

As part of the process of preparing our financial statements, we are required to estimate our accrued research and development and manufacturing expenses. This process involves reviewing open contract and purchase orders, communicating with our personnel to identify services that have been performed on our behalf and estimating the level of service performed and the associated costs incurred for the services when we have not yet been invoiced or otherwise notified of the actual costs. The majority of our service providers invoice us in arrears for services performed on a pre-determined schedule or when contractual milestones are met; however, some require advanced payments. We make estimates of our accrued expenses as of each balance sheet date in our financial statements based on facts and circumstances known to us at that time. Examples of estimated accrued research and development expenses include fees paid to:

- CROs in connection with performing research activities on our behalf and conducting preclinical studies and clinical trials on our behalf;
- investigative sites or other service providers in connection with clinical trials;
- vendors in connection with preclinical and clinical development activities; and
- vendors related to product manufacturing and development and distribution of preclinical and clinical supplies.

We base our expenses related to preclinical studies and clinical trials on our estimates of the services received and efforts expended pursuant to quotes and contracts with multiple CROs that conduct and manage preclinical studies and clinical trials on our behalf. The financial terms of these agreements are subject to negotiation and vary from contract to contract, which may result in uneven payment flows. There may be instances in which payments made to our vendors will exceed the level of services provided and result in a prepayment of the expense. Payments under some of these contracts depend on factors such as the completion of scientific milestones. In accruing fees, we estimate the time period over which services will be performed and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies from our estimate, we adjust the accrual or amount of prepaid expense accordingly. Although we do not expect our estimates to be materially different from amounts actually incurred, our understanding of the status and timing of services performed relative to the actual status and timing of services performed may vary and may result in us reporting amounts that are too high or too low in any particular period. To date, we have not made any material adjustments to our prior estimates of accrued research and development expenses.



### **Stock-Based Compensation**

We measure stock options and other stock-based awards granted to employees, directors, and non-employees based on their fair value on the date of grant and recognize stock-based compensation expense of those awards over the requisite service period, which is generally the vesting period of the respective award. We recognize the impact of forfeitures on stock-based compensation expense as forfeitures occur. We apply the straight-line method of expense recognition to all awards with only service-based vesting conditions.

We estimate the fair value of each stock option grant on the date of grant using the Black-Scholes option-pricing model. This model requires the use of highly subjective assumptions to determine the fair value of stock-based awards, including:

- *Fair Value of Common Stock*—See the subsection titled “—Determination of Fair Value of Common Stock” below.
- *Expected Term*—The expected term represents the period that the stock-based awards are expected to be outstanding. We use the simplified method to determine the expected term, which is based on the average of the time-to-vesting and the contractual life of the options.
- *Expected Volatility*—Since we are not yet a public company and do not have any trading history for our common stock, the expected volatility is estimated based on the average historical volatilities of common stock of comparable publicly traded entities over a period equal to the expected term of the stock option grants. The comparable companies are chosen based on their size, stage in the product development cycle or area of specialty. We will continue to apply this process until a sufficient amount of historical information regarding the volatility of our own stock price becomes available.
- *Risk-Free Interest Rate*—The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of grant for zero-coupon U.S. Treasury notes with maturities approximately equal to the expected term of the awards.
- *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.

See Note 10 to our financial statements included elsewhere in this prospectus for information concerning certain of the specific assumptions we used in applying the Black-Scholes option-pricing model to determine the estimated fair value of our stock options granted in the years ended December 31, 2018 and 2019, and the six months ended June 30, 2019 and 2020.

Stock-based compensation expense was \$30,000 and \$113,000 during the years ended December 31, 2018 and 2019, respectively. As of December 31, 2019, we had \$1.3 million of total unrecognized stock-based compensation costs which we expect to recognize over a weighted-average period of 3.64 years. As of June 30, 2020, total unrecognized compensation cost related to the unvested share-based awards was \$4.6 million, which is expected to be recognized over a weighted-average period of 3.36 years.

The intrinsic value of all outstanding options as of June 30, 2020 was \$            million based on an assumed initial public offering price of \$            per share, the midpoint of the price range set forth on the cover of this prospectus, of which approximately \$            million was related to vested options and approximately \$            million was related to unvested options.

### **Determination of Fair Value of Common Stock**

As there has been no public market for our common stock to date, the estimated fair value of our common stock has been determined by our board of directors as of the date of each option grant, with input from management, considering our most recently available third-party valuations of common stock

and our board of directors' assessment of additional objective and subjective factors that it believed were relevant and which may have changed from the date of the most recent valuation through the date of the grant. Historically, these independent third-party valuations of our equity instruments were performed contemporaneously with identified value inflection points.

These third-party valuations were performed in accordance with the guidance outlined in the American Institute of Certified Public Accountants' Accounting and Valuation Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation or the Practice Aid*. The Practice Aid identifies various available methods for allocating the enterprise value across classes of series of capital stock in determining the fair value of our common stock at each valuation date.

For our valuations performed prior to June 2020, in accordance with the Practice Aid, we determined the Option Pricing Method (OPM) was the most appropriate method for determining the fair value of our common stock based on our stage of development and other relevant factors. These valuations were based on the OPM Backsolve methodology. The OPM treats common stock and preferred stock as call options on the total equity value of a company, with exercise prices based on the value thresholds at which the allocation among the various holders of a company's securities changes. Under this method, the common stock has value on if the funds available for distribution to stockholders exceed the value of the liquidation preferences at the time of a liquidity event, such as a strategic sale or merger. The common stock is modeled as a call option on the underlying equity value at a predetermined exercise price. In the model, the exercise price is based on a comparison with the total equity value rather than, as in the case of a regular option, a comparison with a per share stock price. Thus, common stock is considered to be a call option with a claim on the enterprise at an exercise price equal to the remaining value immediately after the preferred stock liquidation preference is paid. The OPM uses the Black-Scholes option pricing model to price the call options. This model defines the fair value of securities as functions of the current fair value of a company and uses assumptions such as the anticipated timing of a potential liquidity event and the estimated volatility of the equity securities.

For our valuations performed after June 2020, in accordance with the Practice Aid, we determined the hybrid method of the OPM and Probability-Weighted Expected Return Method (PWERM) was the most appropriate method for determining the fair value of our common stock based on our stage of development and other relevant factors. Under the PWERM methodology, the fair value of the common stock is estimated based upon an analysis of future values for the company, assuming various outcomes. The common stock value is based on the probability weighted present value of expected future investment returns considering each of the possible outcomes available as well as the rights of each class of stock. The future value of the common stock under each outcome is discounted back to the valuation date at an appropriate risk adjusted discount rate and probability to arrive at an indication of the value for common stock. The hybrid method is a PWERM where the equity value in one of the scenarios is calculated using an OPM. In the hybrid method, two types of future event scenarios were considered: an initial public offering (IPO) and a trade sale. The enterprise value for the IPO scenario was determined using a market approach, the Guideline IPO Transactions Method. The IPO scenario assumes all of our then outstanding preferred stock would convert into common stock as of the IPO effective date. The enterprise value for the Trade Sale scenario is determined based on the Guideline Merger and Acquisitions Transaction Method and OPM allocation method. The relative probability of each type of future-event scenario was determined by our board of directors based on an analysis of performance and market conditions at the time, including then current IPO valuations of similarly situated companies and expectations as to the timing and likely prospects of future event scenarios.

The assumptions underlying these valuations represented management's best estimates, which involved inherent uncertainties and the application of management's judgment. As a result, if we had used significantly different assumptions or estimates, the fair value of our common stock and our stock-based compensation expense could have been materially different.

In addition to considering the results of these third-party valuations, our board of directors considered various objective and subjective factors to determine the fair value of our common stock as of each grant date, including:

- our stage of development and material risks related to our business;
- the progress of our research and development programs, including the status and results of preclinical studies and clinical trials for our product candidates;
- our business conditions and projections;
- our financial position, including cash on hand, and our historical and forecasted performance and operating results;
- the lack of an active public market for our common stock and our preferred stock;
- the prices of our convertible preferred stock sold to or exchanged between outside investors in arm's length transactions and the rights, preferences, and privileges of our redeemable preferred securities as compared to those of our common stock, including liquidation preferences of our preferred stock;
- the analysis of IPOs and the market performance of similar companies in the biopharmaceutical industry;
- the likelihood of achieving a liquidity event, such as an initial public offering or sale of our company in light of prevailing market conditions;
- the hiring of key personnel and the experience of management;
- trends and developments in our industry; and
- external market conditions affecting the biopharmaceutical industry and trends within the biopharmaceutical industry.

Following the closing of this offering, our board of directors will determine the fair market value of our common stock based on its closing price as reported on the date of grant on the primary stock exchange on which our common stock is traded.

#### **Emerging Growth Company**

We are an "emerging growth company" as defined in the JOBS Act, and we may remain an emerging growth company for up to five years following the completion of this offering. For so long as we remain an emerging growth company, we are permitted and intend to rely on certain exemptions from various public company reporting requirements, including not being required to have our internal control over financial reporting audited by our independent registered public accounting firm pursuant to Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and any golden parachute payments not previously approved. In particular, in this prospectus, we have provided only two years of audited financial statements and have not included all of the executive compensation-related information that would be required if we were not an emerging growth company. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

We would cease to be an "emerging growth company" upon the earliest to occur of: (i) the last day of the fiscal year in which we have \$1.07 billion or more in annual revenue; (ii) the date on which we first qualify as a large accelerated filer under the rules of the SEC; (iii) the date on which we have, in any three-year period, issued more than \$1.0 billion in non-convertible debt securities; and (iv) the last day of

the fiscal year ending after the fifth anniversary of this offering. We may choose to take advantage of some but not all of these reduced reporting burdens.

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 avail ourselves of this exemption from new or revised accounting standards, and therefore we will not be subject to the same requirements to adopt new or revised accounting standards as other public companies that are not emerging growth companies.

#### **Off-Balance Sheet Arrangements**

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

#### **Recently Issued and Adopted Accounting Pronouncements**

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2 to our financial statements included elsewhere in this prospectus.

#### **Quantitative and Qualitative Disclosures About Market Risks**

##### ***Interest Rate Risk***

We are exposed to market risk related to changes in interest rates of our investment portfolio of cash equivalents, short-term investments, and long-term investments. As of June 30, 2020, our cash equivalents and short-term investments consisted of money market funds, certificates of deposit, corporate bonds, and U.S. Treasury securities. As of December 31, 2019, our short-term investments consisted of investments in U.S. Treasury securities, commercial paper, and corporate bonds that have contractual maturities of less than one year. As of December 31, 2019, our long-term investments consisted of investments in U.S. Treasury securities, U.S. agency securities, certificates of deposit, and corporate bonds that have contractual maturities of greater than one year. Our primary exposure to market risk is interest income sensitivity, which is affected by changes in the general level of U.S. interest rates. The fair value of our marketable securities is subject to change as a result of potential changes in market interest rates, including changes resulting from the impact of the COVID-19 pandemic. The potential change in fair value for interest rate sensitive instruments has been assessed on a hypothetical 100 basis point adverse movement across all maturities. We believe a hypothetical 100 basis point increase or decrease in interest rates during any of the periods presented would not have had a material impact on our financial statements included elsewhere in this prospectus.

As of December 31, 2019 and June 30, 2020, we had no debt outstanding and are therefore were not exposed to related interest rate risk.

##### ***Foreign Currency Exchange Risk***

All of our employees and our operations are currently located in the United States and 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 that permit us to satisfy our payment obligations in U.S. dollars (at prevailing exchange rates) but have underlying payment obligations denominated in foreign currencies, primarily including the Euro. 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 financial statements, and we have not had a formal hedging program with respect to foreign currency. We believe a hypothetical 100 basis point increase or decrease

in exchange rates during any of the periods presented would not have a material effect on our financial statements included elsewhere in this prospectus.

***Effects of Inflation***

Inflation generally affects us by increasing our cost of labor and clinical trial costs. We believe that inflation has not had a material effect on our financial statements included elsewhere in this prospectus.

## BUSINESS

### Overview

We are a clinical-stage biopharmaceutical company dedicated to the discovery and development of novel cancer therapeutics designed to transform patient outcomes through a precision medicine strategy by targeting dysregulated transcription. Our proprietary product engine focuses on dysregulated transcription factors and the transcriptional regulatory networks (TRNs) that drive their oncogenic activity. Our lead product candidate, entospletinib (ENTO), is an orally administered, selective spleen tyrosine kinase (SYK) inhibitor that has been tested in 148 acute myeloid leukemia (AML) patients. Based on clinical results in a biomarker-defined subset of patients and subject to discussions with regulatory agencies that we intend to have in the first half of 2021, we plan to initiate a registrational Phase 2/3 clinical trial in 2021 in newly-diagnosed AML patients with NPM1 mutations, with an anticipated data readout in 2023. We are also planning to initiate a Phase 1/2 clinical trial in patients with relapsed or refractory FLT3 mutated AML in 2021. In addition, we are developing KB-0742, which is designed to be an orally bioavailable inhibitor of cyclin dependent kinase 9 (CDK9) with a differentiated selectivity profile, for the treatment of MYC-amplified solid tumors. Subject to clearance of an Investigational New Drug application (IND) for KB-0742, which we plan to submit in the fourth quarter of 2020, we plan to initiate a Phase 1/2 clinical trial in patients with advanced solid tumors in 2021. In addition, we are leveraging our product engine to drive multiple oncology discovery programs targeting dysregulated transcription factors and their associated TRNs.

Addressing the complexity of oncogenic TRNs requires a sophisticated and holistic approach to targeting cancer biology. TRNs encompass hundreds of proteins that function in a coordinated fashion to orchestrate specific gene expression programs that control development and function of healthy cells. Dysregulated TRNs resulting from aberrant transcription factor expression or activity are frequently responsible for reprogramming healthy cells into cancerous tumor cells. We map these oncogenic TRNs and identify the critical nodes and corresponding gene expression signatures that drive cancer. We believe that these critical nodes create selective vulnerabilities, or dependencies, within the tumor, and present attractive targets for therapeutic intervention.

We pursue these high-value targets using our differentiated product engine. Our product engine includes four interconnected components, each of which is informed by our translational expertise, that we believe enables efficient discovery and development of our product candidates:

- **Map** – Leverage our computational biology expertise, engineered cell systems and high throughput transcriptomic profiling to map the structure of TRNs defined by specific dysregulated transcription factors and identify the gene expression signature of selective TRN modulation that can be carried forward into discovery and clinical translation.
- **Screen** – Conduct high throughput small molecule microarray (SMM) screens against dysregulated transcription factors in tumor cell lysates to identify selective TRN modulators and determine mechanism of action.
- **Optimize** – Refine pharmacological properties to yield attractive product candidates.
- **Validate** – Design and execute hypothesis-driven clinical trials using a precision medicine approach to rapidly deliver clinical proof of concept and inform the path to potential product approval.

Our lead product candidate, ENTO, is a selective inhibitor of SYK, a critical node in a dysregulated TRN within AML defined by persistent high expression of the transcription factors HOXA9 and MEIS1 (HOX/MEIS). While directly targeting these transcription factors has been historically challenging, we believe that inhibiting SYK represents a tractable strategy to collapse the HOX/MEIS TRN by inhibiting downstream leukemogenic activity and by disrupting a positive feedback loop that maintains high levels of MEIS1. Through analysis of AML patient sample datasets, we selected NPM1 mutation as a robust

genomic biomarker of HOX/MEIS elevation in AML. NPM1 mutation is reported to be present in approximately one-third of adult AML patients. We believe that this may enable a highly efficient registration strategy, utilizing an NPM1 mutation test, both for patient selection and assessment of measurable residual disease (MRD) negative complete response (CR) as a registrational endpoint. We believe the data from one arm of a Phase 1b/2 clinical trial of ENTO, in which 53 newly diagnosed AML patients were treated with ENTO in combination with first-line standard of care induction chemotherapy (IC), support the role of SYK as a critical node in HOX/MEIS high AML. The trial endpoints of establishing a safe combination dose of ENTO with IC and of estimating the rate of CR to this combination were met for this study arm. Across all 53 patients, the CR rate at the end of combination ENTO and IC induction was 70%, which is in line with historical CR rates for IC. In addition, a retrospective analysis of this study arm explored the hypothesis that patients with high HOX/MEIS mRNA are more likely to benefit from the addition of ENTO to IC. This retrospective analysis revealed that CR rates in the genetic subsets associated with high HOX/MEIS expression, NPM1 mutations and MLL-r, were 87% (13 out of 15) and 90% (9 out of 10), respectively, compared to 54% (15 out of 28) in patients with neither mutation. Superior overall survival was also observed in the retrospective analysis in patients with HOX/MEIS mRNA expression levels above the media level of expression as compared to patients with levels of expression below the median. The results of this retrospective analysis are consistent with the preclinical hypothesis of SYK dependency in HOX/MEIS-driven AML. Based on these data and subject to discussions with regulatory agencies that we intend to have in the first half of 2021, we plan to initiate a registrational Phase 2/3 clinical trial of ENTO in combination with IC in 2021 in newly diagnosed AML patients with NPM1 mutations who are eligible for IC, with an anticipated data readout in 2023.

Our second product candidate, KB-0742, was generated from our product engine's SMM platform. KB-0742 is designed to be an orally bioavailable inhibitor of CDK9 with a differentiated selectivity profile. CDK9 is a global regulator of transcription and a critical node in the oncogenic TRN resulting from MYC overexpression. MYC is a well-characterized transcription factor and a long-recognized driver of cancer that is dysregulated in a significant proportion of malignancies, often as a result of genomic copy number gain (amplification). We intend to develop KB-0742 initially for the treatment of MYC-amplified solid tumors regardless of tissue of origin, with an IND submission planned for the fourth quarter of 2020.

#### **Our Team and History**

We are led by an experienced management team that possesses deep expertise in transcriptional regulation, computational and chemical biology, drug discovery platform technologies, and computational and medicinal chemistry. Collectively, our management team has a track record of obtaining regulatory approval and has successfully commercialized over 25 therapeutic products across multiple indications, including Atripla, Biktarvy, Complera, Epclusa, Genvoya, Harvoni, Sovaldi, Tamiflu, Yescarta and Zytiga. Norbert Bischofberger, Ph.D., our President and Chief Executive Officer, was previously Chief Scientific Officer and Executive Vice President of Research & Development at Gilead Sciences, Inc. (Gilead) where he helped build the company over a 28-year tenure and was responsible for the regulatory approval of over 20 products in therapeutic areas including infectious disease and oncology. Jorge DiMartino, M.D., Ph.D., our Chief Medical Officer and Executive Vice President, Clinical Development, was previously Vice President, Translational Development Oncology at Celgene Corporation, and Group Medical Director at Genentech, Inc. in the Oncology Exploratory Clinical Development group, where he led the early development to proof of concept of multiple agents that subsequently received U.S. Food and Drug Administration (FDA) approval. Christopher Dinsmore, Ph.D., our Chief Scientific Officer, was previously an Entrepreneur-in-Residence at Third Rock Ventures, Vice President and Head of Chemistry at Forma Therapeutics, Inc., and a medicinal chemist at Merck & Co., Inc. for 19 years. Barbara Kosacz, J.D., our Chief Operating Officer and General Counsel, was previously head of the global life sciences practice at the international law firm Cooley LLP, has more than 25 years of experience providing strategic and legal advice to life sciences companies and has structured and negotiated some of the most transformational life sciences transactions in the industry.

Our company was initially founded by Arie Beldegrun, M.D., FACS, Joshua Kazam, David Tanen and Christopher Wilfong from Two River Consulting, LLC (Two River), a life science investment firm that

partners with founders to create, finance and operate development-stage biopharmaceutical companies. Two River previously founded Kite Pharma, acquired by Gilead in 2017, and Allogene Therapeutics, Inc. Dr. Beldegrun serves as founding Chairman of our board of directors. Dr. Beldegrun is a clinician scientist and biotechnology entrepreneur who also founded Agensys Corporation, acquired by Astellas Pharma, Inc. in 2007, and Cougar Biotechnology, Inc., acquired by Johnson & Johnson in 2009.

Since our inception, we have raised approximately \$278.2 million in funding from leading investors, including Bellco Capital, funds and accounts managed by BlackRock, Inc., funds affiliated with Casdin Partners, Commodore Capital, EcoR1 Capital and Fidelity Management and Research Company, GV (formerly Google Ventures), Invus, Nextech, Omega Funds, Perceptive Life Sciences, Polaris Partners, Surveyor Capital (a Citadel company), funds and accounts advised by T. Rowe Price Associates, Inc., Woodline Partners, Two River and Vida Ventures.

### Our Pipeline

We have developed a robust clinical and preclinical pipeline through a combination of internal discovery efforts and focused asset acquisition. The following chart summarizes the current stages of our development programs, including our lead product candidate, ENTO, as well as KB-0742, and our next anticipated milestones.

Product Candidate	Discovery	IND-Enabling Studies	Phase 1 Trial	Phase 2 Trial	Phase 3 Trial	Next Anticipated Milestones
Entospletinib (SYK Inhibitor)	HOXA9/MEIS1 - AML					<ul style="list-style-type: none"> <li>H1 2021: End of Phase 2 meeting</li> <li>2021: Initiate NPM1 mt AML registrational Phase 2/3 clinical trial pending regulatory feedback from planned meetings</li> <li>2023: Topline data readout of NPM1 mt AML registrational trial</li> </ul>
	FLT3 mt - AML					<ul style="list-style-type: none"> <li>2021: Initiate FLT3 mt AML Phase 1/2 clinical trial</li> <li>2022: Topline data readout of FLT3 mt AML Phase 1/2 clinical trial</li> </ul>
KB-0742 (CDK9 Inhibitor)	MYC - Amplified Solid Tumors					<ul style="list-style-type: none"> <li>Q4 2020: IND submission</li> <li>2021: Initiate solid tumor Phase 1/2 clinical trial</li> <li>2021: Topline data readout of Phase 1/2 clinical trial dose escalation cohorts</li> <li>2022: Topline data readout of Phase 1/2 clinical trial expansion cohorts</li> </ul>

mt: mutant

In addition, we have discovery efforts focused on four cancer types where dysregulated transcription plays a central role: hematologic malignancies, prostate cancer, MYC-driven cancers, and small cell/neuroendocrine cancers. Our active discovery programs are focused on the specific TRNs noted in the following chart. We anticipate submitting an IND for a drug candidate arising from one of these programs in 2022.

TRN	Indication	Discovery	IND-Enabling Studies	Phase 1 Trial	Phase 2 Trial	Phase 3 Trial	Next Anticipated Milestone
MYB	AML						First IND filing in 2022 from among these programs
ARV7	Prostate Cancer						
IRF4	Multiple Myeloma						
ASCL1	Small Cell / Neuroendocrine Cancers						



### **SYK Program: ENTO and LANRA**

Our lead product candidate, ENTO, is a selective inhibitor targeting SYK, a critical node in a dysregulated TRN within AML defined by persistent high expression of the transcription factors HOX/MEIS. SYK is a non-receptor tyrosine kinase and is an important mediator of immunoreceptor signaling in hematopoietic cells with a clearly established role in both malignant and non-malignant hematologic disease.

SYK is a critical dependency in biomarker-defined subsets of AML patients characterized by persistent high HOX/MEIS expression. Multiple AML driver mutations, including NPM1, MLL (KMT2A) gene rearrangements (MLL-r) and DNMT3A, have been associated with elevation of HOX/MEIS, which increases quantity and activity of SYK as part of an oncogenic TRN. SYK contributes to the leukemia cell state through multiple mechanisms, including direct modulation of downstream growth-promoting transcriptional programs, phosphorylation of FLT3, a known driver of leukemogenic signaling, and participation in a positive feedback loop to MEIS1 that maintains high MEIS1 expression. We believe these multiple oncogenic functions make SYK a compelling therapeutic target and a critical node in the HOX/MEIS TRN.

Our expertise in TRN biology allowed us to recognize SYK as a critical node in the HOX/MEIS TRN, and in July 2020, we acquired a portfolio of selective, orally bioavailable small molecule SYK inhibitors from Gilead, immediately accelerating our pipeline to late clinical stage. The acquisition included two clinical-stage product candidates:

- *Entospletinib (ENTO)* – An orally administered SYK inhibitor with high selectivity, dosed twice-daily (BID). ENTO has been evaluated in multiple clinical trials in hematologic malignancies, including a three-arm Phase 1b/2 clinical trial in 148 AML patients, both as a monotherapy and in combination with standard of care. In one arm of this study, 53 newly diagnosed AML patients were treated with ENTO combined with IC. The trial endpoints of establishing a safe combination dose of ENTO with IC and of estimating the rate of CR to this combination were met for this study arm. In addition, a retrospective analysis revealed higher CR rates in subjects with MLL-r and NPM1 mutations than in subjects with neither mutation. Superior overall survival was also observed in patients with high HOX/MEIS mRNA expression as compared to patients with low expression. The results of this retrospective analysis are consistent with the preclinical hypothesis of SYK dependency in HOX/MEIS-driven AML. NPM1 mutation is a genetic driver and predictive marker of high HOX/MEIS that is reported to be present in approximately one-third of adult AML patients. Subject to our planned End of Phase 2 meeting with the U.S. Food and Drug Administration (FDA) and similar discussions with European regulatory agencies that we intend to have in the first half of 2021, we plan to directly proceed to a randomized, double-blinded, placebo-controlled registrational Phase 2/3 clinical trial of ENTO in combination with IC, in newly diagnosed AML patients harboring NPM1 mutations, with an anticipated data readout in 2023. We are also planning to initiate a Phase 1/2 clinical trial in combination with a FLT3 inhibitor in patients with relapsed or refractory FLT3 mutated AML in 2021, with an anticipated data readout in 2022, and are also actively exploring rational combinations of ENTO with other agents, including venetoclax and HMAs, in elderly or unfit AML patients with NPM1 mutations.
- *Lanraplenib (LANRA)* – A next generation SYK inhibitor with improved pharmacokinetic (PK) and pharmacologic properties compared with ENTO, including once daily (QD) dosing. We believe LANRA may present an attractive follow-on compound to ENTO for use in the treatment of AML or other indications.

### **CDK9 Program: KB-0742**

Our second product candidate, KB-0742, was generated from our product engine's SMM platform. KB-0742 is designed to be an orally bioavailable inhibitor of CDK9 with a differentiated selectivity profile. CDK9 is a serine/threonine kinase that forms the catalytic core of the positive transcription elongation factor b (P-TEFb). CDK9 is a global regulator of transcription, and has been recognized as a high-value

oncology drug target due to its essential role in maintaining high levels of transcription for oncogenes and short-lived anti-apoptotic proteins.

We believe KB-0742's selectivity, oral bioavailability, and other differentiated pharmacologic properties will enable us to explore multiple dosing schedules in early clinical development, which may help us to identify the optimal level and duration of CDK9 target coverage while minimizing off-target or off-tumor toxicity. Certain tumors are "transcriptionally addicted," meaning that they require a higher level of transcription than normal cells in order to survive. We believe that we may be able to enhance the therapeutic index for CDK9 inhibition by specifically targeting certain tumors that are genomically-defined and transcriptionally addicted, where CDK9 acts as a critical node in the oncogenic TRN.

Our initial development focus for KB-0742 is in advanced solid tumors with MYC genomic copy number gain (amplification). MYC is a well-characterized transcription factor and a long-recognized driver of cancer that is dysregulated in a significant proportion of malignancies, including lung, breast, ovarian, and various gastro-intestinal cancers, often as a result of genomic amplification. CDK9 is a critical node in the MYC TRN, acting both as an upstream driver of MYC expression and a downstream co-factor of MYC itself that is required to drive the MYC-dependent oncogenic gene expression program. Preclinical characterization of KB-0742 has demonstrated that MYC genomic amplification is associated with increased tumor sensitivity across multiple histologies, potentially enabling a tissue of origin-agnostic development strategy.

We have completed IND-enabling studies and are currently working to submit an IND in the fourth quarter of 2020. Subject to the clearance of our planned IND, we plan to initiate in 2021 a Phase 1/2 clinical trial of KB-0742 in cancer patients to evaluate its safety, PK and pharmacodynamic (PD) properties across multiple dose levels and dosing schedules. After identifying an appropriate dose level and dosing schedule, we intend to enroll expansion cohorts of patients with MYC-amplified solid tumors and potentially other transcriptionally addicted tumor types. The subsequent development path to registration will be based on the frequency, magnitude and durability of responses observed in these expansion cohorts, with anticipated data read out from the expansion cohorts of such trial in 2022.

#### **Discovery Programs**

We continually invest in early discovery efforts utilizing our proprietary product engine, with the goal of expanding our pipeline of future product candidates. Our current efforts are focused on four cancer types where dysregulated transcription plays a central role: hematologic malignancies, prostate cancer, MYC-driven cancers, and small cell/neuroendocrine cancers (SCNC). Within these cancer types, we believe that we can develop a deep understanding of the underlying disease biology, engineer robust systems to characterize transcription factor perturbation signatures, and identify multiple potential opportunities for therapeutic intervention through modulation of key TRN components. We select our discovery targets based on scientific, translational and competitive considerations, prioritizing those where dependency has been demonstrated in a defined patient population with high unmet medical need, and where we believe we can design an efficient early clinical translation strategy based upon our understanding of the disease biology.

#### **Our Strategy**

Our goal is to become a leading biopharmaceutical company by discovering transformational small molecule modulators of historically challenging targets in cancer, and then developing and ultimately commercializing those agents using a precision medicine approach for patient populations with high unmet medical need. We intend to do this by continuing to employ our proprietary product engine to discover and develop product candidates. The key elements of our strategy include:

- **Rapidly advance our SYK program into registrational clinical trials.** We believe that the early clinical data generated in clinical trials of ENTO, combined with the viability of NPM1 mutations as a genomic marker both for HOX/MEIS-high patient selection and measurement of MRD negative CR as a primary endpoint, may enable an expeditious path to regulatory approval in newly

diagnosed AML patients with NPM1 mutations who are eligible for IC. We plan to schedule an End of Phase 2 meeting with the FDA and similar discussions with European regulatory agencies in the first half of 2021, with the goal of initiating a registrational Phase 2/3 clinical trial thereafter, with an anticipated data readout in 2023. We are also evaluating the opportunity to pursue registrational trials in additional AML populations.

- **Establish clinical proof of concept for our CDK9 program.** We plan to submit an IND for KB-0742 in the fourth quarter of 2020. Subject to clearance of that IND, we plan to initiate in 2021 a Phase 1/2 clinical trial that is designed to initially assess the safety, PK and PD profile of KB-0742 in patients with advanced solid tumors, and define an optimal dose and schedule for subsequent signal-seeking expansion cohorts in cancer patients with MYC-amplified solid tumors and potentially other transcriptionally addicted cancers, with anticipated data read out from the expansion cohorts of such trial in 2022.
- **Continue to grow our pipeline of product candidates.** We plan to establish a robust pipeline of additional highly differentiated product candidates targeting dysregulated transcription factors and their associated TRNs, particularly through continued investment in our SMM platform, chemical biology, and computational and experimental biology capabilities.
- **Selectively enter into strategic collaborations to maximize the potential of our pipeline.** Our product engine has the potential to identify differentiated product candidates addressing a wide variety of diseases with high unmet medical need. We believe this provides us the opportunity to selectively evaluate and, if appropriate, enter into strategic collaborations that leverage our potential future partners' complementary capabilities to advance and accelerate our development programs or expand our internal discovery efforts, as well as maximize our commercial reach.
- **Leverage our experienced management team to build a fully-integrated, science-driven biopharmaceutical company addressing high unmet medical needs.** Our management team possesses significant expertise across all stages of discovery, translation, late-stage clinical development and commercialization. Collectively, our management team has a track record of obtaining regulatory approval and has successfully commercialized over 25 therapeutic products, including several that have fundamentally transformed patient outcomes. We plan to progress our product candidates expeditiously through regulatory approval, with the vision of ultimately building a fully-integrated, science-driven biopharmaceutical company.

#### **The Oncogenic TRN Opportunity**

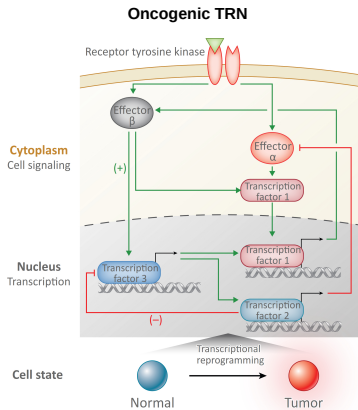
Within a tumor, a dysregulated network of hundreds of regulatory proteins including cell-signaling proteins, transcription factors, epigenetic regulators and core transcriptional machinery coordinate to drive the oncogenic program. These interactions are dynamic, interdependent, and frequently contain redundant pathways, compensatory mechanisms or feedback loops that may drive resistance to targeted therapies. Collectively these hundreds of interactions make up an oncogenic TRN.

In an oncogenic TRN, many parallel signals and feedback loops converge to define and drive the cancer. Dysregulated transcription factors are the proteins that directly control aberrant transcription of the genome, and are critical nodes in oncogenic TRNs. These TRNs may also contain additional critical nodes of signaling or epigenetic regulation that play an essential role in perpetuating the oncogenic TRN. We believe these critical nodes present attractive targets for therapeutic intervention and hold the promise of dramatically improving patient outcomes by collapsing the oncogenic TRN and limiting potential mechanisms for resistance to therapy. Directly targeting the dysregulated transcription factors at the center of these TRNs is a clinically validated strategy that has shown compelling efficacy and durability of response. Examples include androgen deprivation therapies in prostate cancer, such as enzalutamide and abiraterone, estrogen inhibitors or degraders in breast cancer, such as tamoxifen and fulvestrant, and Ikaros degraders in multiple myeloma, such as lenalidomide and other thalidomide analogues.

Despite their potential therapeutic promise, transcription factors at the core of many oncogenic TRNs have been historically challenging targets for conventional drug discovery for three primary reasons:

- **Context-dependent activity.** Selection and optimization of small molecule inhibitors require identification of tractable and physiologically-relevant biological readouts that reflect selective modulation of the targeted transcription factor. Modulation of classical drug targets such as enzymes or receptors can be readily assessed using biochemical assays for binding or enzymatic activity. In contrast, transcription factors can bind to thousands of sites across the genome but directly modulate the expression of a limited number of genes in a cell-type and context-dependent manner.
- **Context-dependent domain structures.** Traditional high throughput screening uses purified versions of the isolated target protein or relevant domains. However, the functional domains of transcription factors often lose their structure entirely when isolated from the cellular environment, complicating efforts to identify selective binders.
- **Context-dependent complexes.** In the cellular environment, transcription factors do not exist as isolated proteins, but as part of multi-protein complexes. Interactions with binding partners, many of which are cell-type specific, influence the structure and activity of a transcription factor.

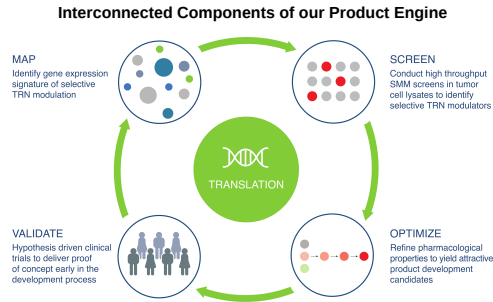
Dysregulated transcription factors encompass many widely recognized, yet-to-be-drugged targets in cancer, including but not limited to the MYC family proto-oncogenes, hematologic lineage-defining transcription factors such as MYB in AML or IRF4 in multiple myeloma, and SCNC-defining transcription factors such as ASCL1.



### Our Product Engine

Our differentiated product engine applies our computational and experimental biology expertise combined with our proprietary SMM platform to systematically target dysregulated transcription factors and their associated TRNs, allowing us to discover and develop novel product candidates targeting historically challenging targets that have previously been considered undruggable, as well as classically

tractable targets within the specific context of an oncogenic TRN. Our product engine includes four interconnected components, each of which is informed by our clinical translational expertise.



**Map: Oncogenic TRN Signatures**

Leverage our computational and experimental biology expertise to map the structure of TRNs defined by specific dysregulated transcription factors and identify the gene expression signature of selective TRN modulation that can be carried forward into discovery and clinical translation.

We address the challenge of context-dependent activity by generating and aggregating high-dimensional genomic, epigenetic, proteomic, and transcriptomic data on our target TRNs, then applying advanced computational approaches to interrogate interactions and pathways within the disease state. We then identify and seek to validate a specific transcriptional signature for target modulation, which can be leveraged throughout our research process including assay development for hit validation and lead optimization, PD characterization and ultimately clinical development.

We believe that our robust approach to TRN mapping enables us to reveal critical nodes throughout the TRN, including lineage-defining transcription factors, epigenetic factors, and non-redundant pathway or co-factor dependencies required to execute the oncogenic program. This is especially valuable for dysregulated transcription factors that act in a highly context-dependent manner and may be difficult to target using conventional methods.

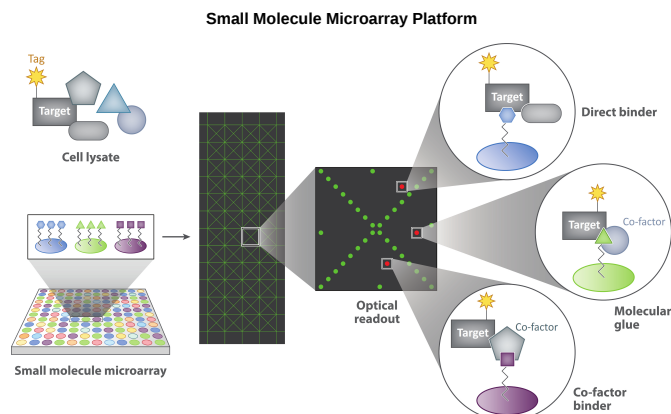
**Screen: Our Small Molecule Microarray (SMM) Platform**

Conduct high throughput SMM screens against dysregulated transcription factors in tumor cell lysates to identify selective TRN modulators and determine mechanism of action.

Our SMM platform directly addresses the historical challenges of context-dependent structures and complexes by allowing us to conduct a high throughput binding assay directly in tumor cell lysate. Our screening library of approximately 240,000 compounds is covalently printed in microarray format on slides, and then incubated with tumor cell lysate that preserves the target protein's endogenous structure and functional complexes. We use a fluorophore-labeled antibody against the target protein to identify those features within the array where the target protein is present, representing a binding event between the small molecule hit at that array location and the target protein.

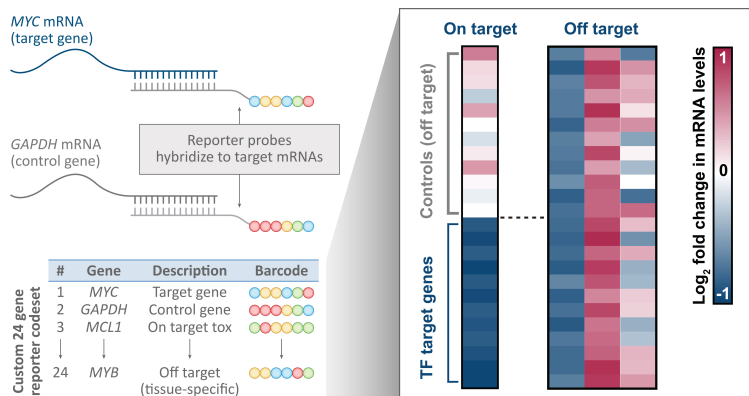
Because SMM lysate screens probe the entire target protein interactome in a single assay, SMM hits have the potential to engage the target protein and its complexes through at least three distinct binding modes:

- *Direct binder*. These molecules may directly engage the target protein either at an active domain or an allosteric site.
- *Molecular glue*. These molecules may bind a pocket or groove that is created by a protein-protein interface in complexes containing the target protein.
- *Co-factor binder*. These molecules may bind an essential co-factor of the target protein.



Hits derived from SMM have the potential to act through a variety of mechanisms, and characterization of hit selectivity is critically important in the nomination of leads for further optimization. We leverage the specific gene expression signature identified in the TRN mapping process to evaluate the context-dependent transcriptomic effects of each SMM hit in relevant cancer cell lines. Our front-line hit validation assays typically evaluate a panel of dozens of genes including those genes that are directly bound by the dysregulated transcription factor in the tumor-specific context, as well as a curated set of negative controls. This robust transcriptomic profiling enables us to rapidly advance hits that selectively perturb the oncogenic TRN, and exclude compounds with dominant off-target/off-pathway activity, as depicted in the graphic below.

### Hit Prioritization Based on Gene Expression Signature



Hits that appear attractive based on transcriptomic profiling advance to a more robust evaluation including chemical biology approaches to identify direct binding target and mechanism of action, as well as large-scale cell viability profiling to identify or confirm biomarkers of tumor sensitivity to compound treatment.

We have invested significantly in standardization and automation across all stages of the screening process to enhance efficiency and quality control, which has enabled us to rapidly advance multiple discovery campaigns in parallel.

#### Optimize: From Lead to Product Candidate

*Refine pharmacological properties to yield attractive product candidates.*

Following lead nomination, we focus on understanding the connection between molecular characteristics and target engagement to refine the pharmacological properties of the molecule to match the desired clinical product profile. We have invested in robust medicinal chemistry, computational chemistry and assay development capabilities to support lead optimization. Our leadership team includes experienced medicinal chemists with an extensive track record of optimizing hits to clinical-stage product candidates.

We tailor our lead optimization strategy to individual programs. By leveraging insights gleaned in the "Map" and "Screen" stages of our product engine, we design structure-activity relationship studies to guide optimization toward a specific transcriptional signature in relevant cancer lines. For hits with a known binding site and ordered structure, we additionally leverage computational modeling, structure-based drug design and a suite of biochemical or biophysical assays to rapidly advance lead optimization programs. For hits against historically challenging targets not amenable to biochemical or biophysical screening assays, we have the capability to advance chemistry programs using structure-blind medicinal chemistry approaches that are informed by transcriptional readouts in cell-based assays.

**Validate: Rapid Clinical Proof of Concept**

*Design and execute hypothesis-driven clinical trials using a precision medicine approach to rapidly deliver clinical proof of concept and inform the path to potential product approval.*

We leverage our deep knowledge of computational biology to identify predictive biomarkers for drug response and key PD markers of activity within the oncogenic TRN. We then seek to establish in preclinical models the required extent and duration of target coverage required to achieve clinical efficacy without eliciting undue toxicity in normal tissue. For example, while continuous dosing strategies may be appropriate for certain targets, such as SYK, intermittent dosing strategies may be essential for establishing a therapeutic index for other targets, such as CDK9.

We apply this understanding of predictive markers and the PD/efficacy relationship to design early clinical studies that can rapidly identify an optimal dose and dosing schedule for a given product candidate, and quickly achieve clinical proof of concept in a biomarker-defined patient population. We expect these clinical results to provide valuable insights to guide continuous improvement of our discovery efforts. This precision medicine approach may also enable a more efficient late-stage clinical development and registration strategy by focusing on the patients most likely to benefit from treatment, and may present us the opportunity to pursue more efficient regulatory approval pathways.

**SYK Inhibitor Product Candidate: ENTO**

ENTO is a selective inhibitor targeting SYK, an important mediator of immunoreceptor signaling in hematopoietic cells with a clearly established role in both malignant and non-malignant hematologic disease. ENTO has been investigated in multiple clinical trials in patients with hematologic malignancies, and has shown encouraging activity in AML patients with high expression of HOX/MEIS. Multiple preclinical studies have established a clear dependency between SYK activity and the HOX/MEIS leukemic TRN.

We are currently completing the transfer of the SYK inhibitor portfolio that we acquired from Gilead in July 2020 (including ENTO) in advance of our planned interactions with regulatory agencies in the first half of 2021. Subject to the result of these interactions, we plan to advance ENTO directly into a registrational Phase 2/3 clinical trial in newly-diagnosed AML patients with NPM1 mutations, a demonstrated genetic driver and predictive marker of high HOX/MEIS expression, in combination with IC, with an anticipated data readout in 2023. In addition to our planned registrational Phase 2/3 clinical trial, we are also planning to initiate a Phase 1/2 clinical trial in combination with a FLT3 inhibitor in patients with relapsed or refractory FLT3 mutated AML in 2021, with an anticipated data readout in 2022. We are also actively exploring the potential for SYK inhibition in combination with venetoclax and HMAs for the treatment of elderly or unfit AML subpopulations with NPM1 mutations.

**Prior Development of ENTO**

Since it entered clinical testing in 2013, over 1,300 human subjects have received ENTO, including healthy volunteers, patients with renal impairment and inflammatory conditions, and over 700 patients with hematologic malignancies.

The first clinical trial in healthy volunteers and subjects with rheumatoid arthritis (RA) revealed PK consistent with BID dosing and dose dependent SYK inhibition at doses up to 600 mg. ENTO was generally well tolerated in healthy volunteers with the most frequently reported adverse events (AEs) being headache, nausea and constipation without any clear relationship to dose level. Mildly increased liver enzymes were observed in some healthy subjects and patients with RA.

The largest group of patients in which ENTO has been tested have been patients with hematologic malignancies. Over 700 patients, predominantly with B cell malignancies, such as chronic lymphocytic leukemia (CLL), have been treated with ENTO. Results in CLL were encouraging and consistent with response rates seen for other small molecule inhibitors of B cell receptor signaling such as PI3K delta or



Bruton's Tyrosine Kinase (BTK) inhibitors. An overall response rate (ORR) of 61% and median Progression Free Survival (mPFS) of 13.8 months was observed in 41 patients with relapsed or refractory CLL previously treated with anti-CD20 antibody and alkylating agents. Among 49 patients with CLL that had progressed after treatment with PI3K delta or BTK inhibitors, the ORR was 33% with a mPFS of 5.6 months. The most frequently reported treatment-related AEs, with an incidence greater than 10% in CLL patients, were fatigue, nausea, diarrhea, headache, decreased appetite and fever. AEs attributed to ENTO of Grade 3 (severe or medically significant but not life-threatening) or greater in at least 5% of patients included neutropenia (four subjects), elevated liver enzymes, hyperbilirubinemia, anemia and hypophosphatemia (two subjects each). Fourteen subjects reported serious AEs, including pneumonia (three subjects), angina pectoris, febrile neutropenia, hypokalemia and sepsis (two subjects each) and acute myocardial infarction, atrial fibrillation, cardiac congestive failure, cellulitis, chest pain, clavicle fracture, dehydration, dyspnea, encephalopathy, epiglottitis, fall, hepatic function abnormal, hepatotoxicity, hypocalcemia, hyponatremia, ischemic cardiomyopathy, leukocytosis, muscular weakness, musculoskeletal chest pain, non-cardiac chest pain, pericardial effusion, pericarditis, pyrexia and rotavirus infection (one subject each). Five subjects reported serious AEs assessed by the investigator as related to ENTO, which included: dyspnea, epiglottitis, febrile neutropenia, hepatic function abnormal, hepatotoxicity and pneumonia. Overall, ENTO was well-tolerated by CLL patients in these clinical trials. We believe this observed anti-leukemic activity may warrant further investigation in CLL in combination with other agents.

ENTO has also been tested in a Phase 1b/2 clinical trial in 148 AML patients. Early safety studies were conducted in relapsed patients as monotherapy and in combination with IC and in newly diagnosed elderly patients in combination with HMAs such as azacytidine or decitabine. Aside from the AEs typical of the disease and IC, such as cytopenias and fever, the main AEs attributable to ENTO included diarrhea, nausea, and febrile neutropenia. These clinical trials revealed encouraging activity in a subset of AML patients with high HOX/MEIS expression, described in greater detail below.

#### ***Therapeutic Rationale and Clinical Data in HOX/MEIS-High AML***

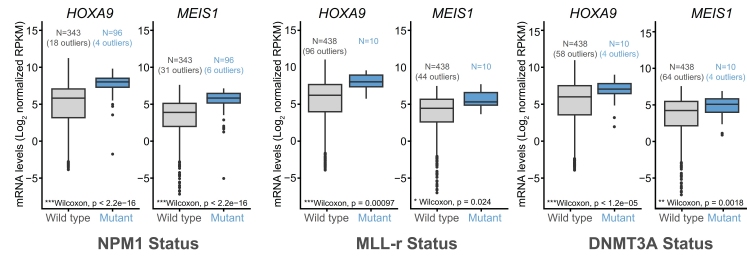
AML is one of the most common forms of acute leukemia in adults. Despite multiple recent drug approvals, the disease still bears a poor prognosis with less than 30% of patients surviving five years from diagnosis. Although the median age at diagnosis is 67, only younger, typically less than 65 years old, and fitter patients are eligible for intensive IC, involving seven days treatment with cytarabine and three days treatment with an anthracycline drug such as daunorubicin or idarubicin. Approximately 60% to 70% of these patients achieve CR, but most will experience disease relapse in less than 18 months. Among patients who achieve CR but remain positive for MRD, remissions are often particularly short-lived. For older and less fit patients, prognosis is even worse. Therapeutic options for these patients have historically been limited to palliative treatment with HMAs with CR rates of approximately 30% followed by relapse within a matter of months in a majority of responding patients. The recent approval of the BCL-2 inhibitor venetoclax in combination with HMAs has improved the response rates in older AML patients but relapse free survival remains unacceptably short. There is a clear need for additional therapies to drive improved outcomes in AML, especially agents that improve the MRD negative CR rate and durability of response in a first-line setting.

SYK activates several aberrant signaling pathways in AML to promote leukemic cell survival and proliferation. SYK is a particularly critical dependency in HOX/MEIS high AML. HOX/MEIS is overexpressed in a significant subset of AML patients. HOXA9 and MEIS1 are transcription factors that work together to drive a gene expression program in primitive myeloid cells. As these cells normally mature, expression of these transcription factors is down-regulated.

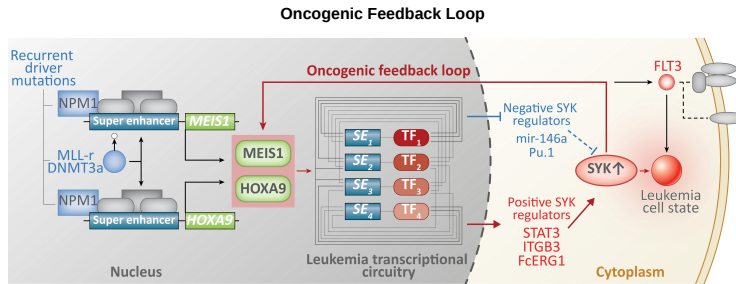
Multiple AML driver mutations including NPM1, MLL-r and DNMT3A mutations have been associated with a failure to down-regulate HOX/MEIS as shown in the figure below. This figure is based on our internal analysis of genomic and transcriptomic data from over 400 AML patient samples obtained through the Leukemia and Lymphoma Society's "Beat AML" program. The figure below depicts mRNA levels for either the HOXA9 or MEIS1 genes across the common AML driver mutations NPM1 (left), MLL-r

(center), and DNMT3A (right). For each AML driver mutation, *HOXA9* and *MEIS1* mRNA levels are shown for either patients that are wildtype for that mutation (grey boxes) or mutated (blue boxes). For each cohort (wild type or mutant), outliers are defined as those patients with mRNA levels exceeding 1.5x the interquartile range (IQR). In all cases, AML driver mutations are associated with increased mRNA levels of *HOXA9* and *MEIS1* that are consistent with a failure to down-regulate HOX/MEIS expression and are considered statistically significant by a two-sided Mann-Whitney-Wilcoxon test. Failure to down-regulate HOX/MEIS expression locks in the abnormal undifferentiated transcriptional program that defines AML.

#### AML Driver Mutations and mRNA Expression Levels of HOXA9/MEIS1

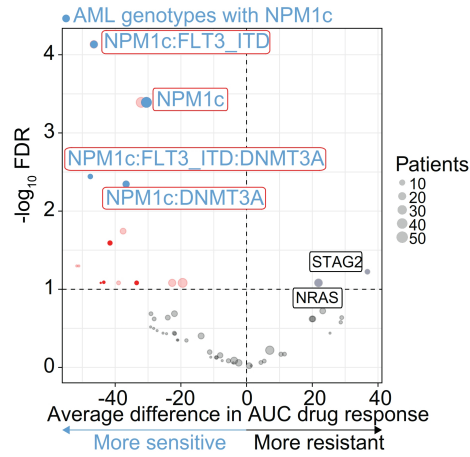


Recent publications showed that elevated HOX/MEIS results in increased quantity and activity of SYK as part of an oncogenic TRN. SYK contributes to the leukemia cell state by modulating downstream transcriptional programs including genes that promote cytokine independent growth. In addition, SYK promotes leukemia indirectly through phosphorylation of FLT3, a known driver of leukemogenic signaling. Finally, SYK contributes to the stability of the HOX/MEIS TRN through a positive feedback loop to MEIS1 that maintains MEIS1 elevation.



Independently of these publications, the Beat AML program tested genomically characterized bone marrow specimens from 572 AML patients *in vitro* for sensitivity to 122 small molecule drugs or compounds including ENTO. Our internal analysis of the raw data from this screening program is shown in the figure below, which plots the average difference in area under curve (AUC) drug response between mutant and wild-type on the x-axis and the false discovery rate (FDR) corrected Q value (determined

using a two-sided Student's *t*-test from a linear model fit) on the y-axis. Sensitivity to ENTO correlated, with high statistical significance, with the presence of NPM1 mutations alone (FDR < 0.001) or in combination with FLT3 (FDR < 0.0001) or DNMT3A mutations (FDR < 0.01). We believe these multiple oncogenic functions make SYK a compelling therapeutic target and a critical node in the HOX/MEIS TRN.



From July 2015 to February 2019, Gilead investigated the use of ENTO in a Phase 1b/2 clinical trial enrolling 148 AML patients in the United States, Canada and Germany. Patients were enrolled into one of three arms:

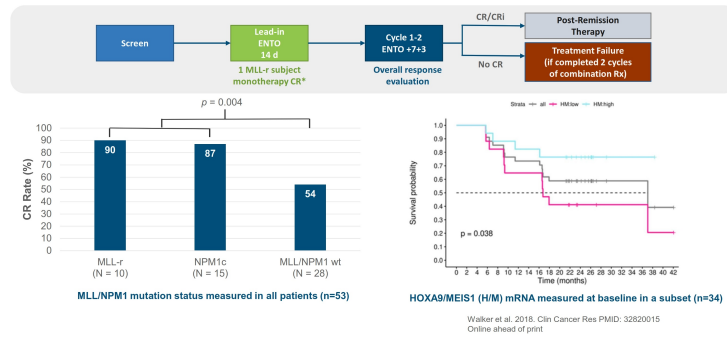
- **Arm A:** previously untreated, fit AML patients treated with ENTO monotherapy followed by combination with IC;
- **Arm B:** previously untreated elderly or unfit patients treated with ENTO monotherapy followed by combination therapy with ENTO and HMA; and
- **Arm C:** relapsed or refractory AML patients or patients with MLL-r treated with ENTO monotherapy only.

Dose limiting toxicity was not encountered during monotherapy or combination dose escalation but a dose of 400 mg BID was selected for further expansion in Phase 2 clinical trials based on data suggesting no significant additional target engagement above this dose. Drug-related AEs were primarily febrile neutropenia, maculopapular rash and gastrointestinal, such as nausea, diarrhea, and constipation.

A total of 53 patients were enrolled in Arm A. Of 10 MLL-r patients enrolled, one achieved a CR during the 14-day ENTO monotherapy window and nine were in CR at the end of combination induction. Across all 53 patients, the CR rate at the end of combination ENTO and IC induction was 70%, which is in line with historical CR rates for IC. A retrospective biomarker analysis of Arm A explored the hypothesis that patients with high HOX/MEIS mRNA are more likely to benefit from the addition of ENTO to IC. This retrospective analysis revealed that CR rates in the genetic subsets associated with high HOX/MEIS expression, NPM1 mutations and MLL-r, were 87% (13 out of 15) and 90% (9 out of 10) respectively,

compared to 54% (15 out of 28) in patients with neither mutation. Historical CR rates of 56% to 68% with IC alone have been reported for MLL-r patients. For patients with NPM1 mutations, historical CR rates with IC alone have ranged from 66% to 87% depending on age and cytogenetics. Age greater than 60 and adverse cytogenetics are associated with the lower end of this range. The subjects enrolled in this study had a median age of 60, and six of the 15 NPM1 mutated patients had secondary AML associated with adverse cytogenetics. The difference between the combined CR rates for the NPM1 and MLL-r groups and the NPM1/MLL wild type groups is statistically significant with a  $p$  value of 0.004 (Z-test). HOX/MEIS gene expression was evaluated for 34 patients in whom baseline samples were available for analysis. This analysis revealed that ENTO-treated patients with high HOX/MEIS mRNA levels (determined as those above the median level of expression) experienced superior overall survival (OS) with a hazard ratio of 0.32 (95% confidence interval 0.1 – 0.997,  $P = 0.038$ , log rank test) when compared to those with low HOX/MEIS mRNA levels (determined as those below the median level of expression).

### ENTO Phase 2 Clinical Trial Data Showed Activity in Defined AML Subsets



The 51 patients enrolled in Arm B had an overall CR rate of 26% with the combination of ENTO and HMA, which is in line with the historical CR rate for HMA alone. Only two subjects with MLL-r were enrolled in this Arm and exploratory biomarker analyses were not conducted.

Arm C examined ENTO monotherapy in 13 subjects with relapsed or refractory (R/R) AML with MLL-r, six subjects with R/R AML with wild type MLL and nine newly diagnosed subjects with AML who refused IC or HMA. Two out of 13 R/R MLL-r subjects in Arm C achieved CRs with ENTO monotherapy, consistent with the biological hypothesis.

We believe that the retrospective analyses of these clinical data from subjects in the genetic subsets associated with high HOX/MEIS expression, along with the demonstrated biological rationale and our analysis of the Beat AML ENTO sensitivity data, strongly support the dependency between SYK and HOX/MEIS and provide encouraging evidence of the potential for ENTO to significantly improve upon standard of care for AML patients with elevated HOX/MEIS.

#### **Lead ENTO Potential Indication: AML Patients with NPM1 Mutations**

We intend to initially develop ENTO in combination with IC in newly-diagnosed AML patients with NPM1 mutations. NPM1 mutation is an attractive biomarker for patient selection due to its predictive value, utility in patient screening and suitability for assessment of MRD.

Predictive Value. Although MLL-r and DNMT3A mutations have higher than average HOX/MEIS expression, NPM1 mutations are the most consistent genetic driver and predictive marker of high HOX/MEIS, as discussed above. Prior to joining our company, our Vice President of Biology was part of the academic team that revealed the mechanistic basis for this association. Based on these considerations, we believe that focusing initially on a more homogeneous group of patients defined by a single mutation, NPM1, provides the highest probability of success.

Screening Efficiency. NPM1 mutations are common in AML, reportedly presenting in approximately one-third of adult AML patients. Further, NPM1 mutation status is already routinely assessed in AML patients as part of standard diagnostic workup in the clinic, which we believe will help facilitate clinical trial enrollment and streamline the process for developing and validating a companion diagnostic.

MRD Assessment. Because NPM1 mutation is a genomic marker that can be detected with very high sensitivity using digital Polymerase Chain Reaction or next generation sequencing approaches, we believe NPM1 mutation is an ideal biomarker for MRD assessment. Regulatory approvals on the basis of MRD status have been granted in acute lymphocytic leukemia and CLL, and a growing body of evidence has demonstrated that MRD status post-treatment is a strong predictor of overall survival in AML. We believe that the early clinical data generated by ENTO, combined with the viability of NPM1 mutation as a genomic marker both for HOX/MEIS-high patient selection and measurement of MRD negative CR as a primary endpoint, may enable an expeditious path to regulatory approval in newly diagnosed AML patients with NPM1 mutations.

We plan to schedule an End of Phase 2 meeting with the FDA and engage in similar discussions with European regulatory agencies in the first half of 2021, to align on the design, endpoints and companion diagnostic strategy of a registrational Phase 2/3 clinical trial for ENTO in combination with IC. We plan to propose a randomized, double-blinded, placebo-controlled clinical trial of ENTO in combination with IC in approximately 160 newly diagnosed NPM1-mutated AML patients. NPM1 mutation status will be assessed using a commercially available clinical sequencing assay. We intend to complete the validation of the assay necessary to meet regulatory requirements for a companion diagnostic in parallel with the conduct of the clinical trial. Patients will be randomized to receive standard of care IC in combination with twice-daily ENTO or a placebo. Patients who achieve a CR after induction will go on to receive consolidation therapy with high dose cytarabine (HiDAC) with ENTO or placebo as per their randomization assignment. MRD will be assessed at the end of the first cycle of consolidation. MRD negative CR is the proposed primary endpoint for regulatory approval. Patients will remain on the clinical trial and their overall survival will be captured in the clinical data.

#### **Additional ENTO Potential Indications**

We are currently planning to initiate a single-arm Phase 1/2 clinical trial in 2021, with an anticipated data readout in 2022, in a relatively small number of subjects with relapsed or refractory FLT3 mutated AML, who will receive ENTO in combination with an approved FLT3 inhibitor. The objectives of the study will be to assess the tolerability of that combination and to determine if the combination CR rate exceeds the CR rate expected for a FLT3 inhibitor alone in this population. FLT3 mutation status will be assessed using a commercially available clinical sequencing assay. We are also actively exploring rational combinations of ENTO with other agents, including venetoclax and HMAs, in elderly or unfit AML patients with NPM1 mutations, and are evaluating the opportunity to pursue registrational trials in additional patient populations.

**Additional SYK Inhibitor Product Candidate: LANRA**

LANRA is a SYK inhibitor previously developed by Gilead for autoimmune indications, and has been evaluated in multiple Phase 2 clinical trials in over 250 patients with autoimmune disease. LANRA has exhibited improved PK properties compared with ENTO, including an improved half-life, which could enable QD dosing among other benefits.

Dose levels selected for prior Phase 2 clinical trials of LANRA in autoimmune disease resulted in lower SYK target engagement compared to the use of ENTO in hematologic malignancies. We believe that a higher dose of LANRA resulting in equivalent SYK target engagement achieved with ENTO may create an opportunity to develop LANRA as an attractive follow-on compound to ENTO. We are currently conducting a detailed preclinical evaluation of LANRA in various AML models, the results of which will inform the future development plan for the compound.

**Additional Development Opportunities**

We will base future development decisions for ENTO and LANRA on a variety of factors, including scientific rationale for development in biomarker-defined patient populations, competitive landscape, commercial opportunity and internal resourcing.

**CDK9 Inhibitor Product Candidate: KB-0742**

KB-0742 is designed to be an orally bioavailable inhibitor of CDK9 with a differentiated selectivity profile. CDK9 is a global regulator of transcription and a critical node in the oncogenic TRN resulting from MYC overexpression. While CDK9 is a required component of transcriptional machinery for many genes across the genome, certain tumors are "transcriptionally addicted," meaning that they require a higher level of transcription than normal cells in order to survive.

KB-0742 was internally optimized from an SMM hit and we believe it possesses differentiated selectivity for CDK9 among other attractive pharmacologic properties. While several competitor compounds targeting CDK9 are being clinically investigated for the treatment of cancer, their published biochemical selectivity profiles indicate the potential for cross-reactivity to cell cycle CDKs at clinical exposures. We believe this may contribute to the toxicity and limited therapeutic index observed with these agents and explain why in general they have not advanced to later-stage clinical trials.

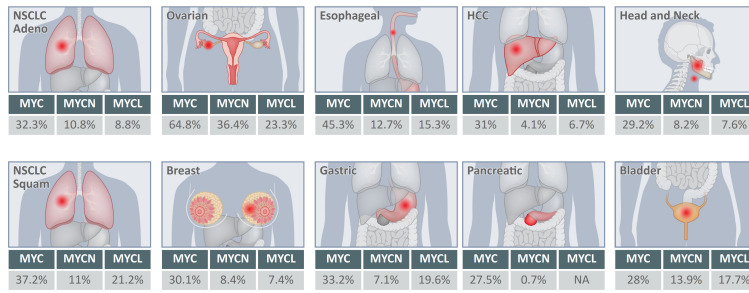
We are currently in the process of completing IND-enabling studies and GMP development activities to support a planned IND submission in the fourth quarter of 2020. Subject to the clearance of our planned IND, we plan to initiate in 2021 a Phase 1/2 clinical trial of KB-0742 in cancer patients to evaluate its safety, PK and PD in the dose escalation stage of the clinical trial, followed by enrollment of expansion cohorts at the recommended Phase 2 clinical trial dose and schedule in patients with MYC-amplified solid tumors and potentially other transcriptionally addicted cancers, with anticipated data read out from the expansion cohorts of such trial in 2022.

**Therapeutic Rationale in MYC-amplified tumors**

MYC family transcription factors (MYC, MYCN and MYCL) are master regulators of cell growth, proliferation, differentiation and metabolism, and are among the most frequently dysregulated targets in malignancies. While MYC can be up-regulated through various mechanisms and participates in many oncogenic TRNs, we believe that MYC amplification is one of the clearest markers of transcriptional

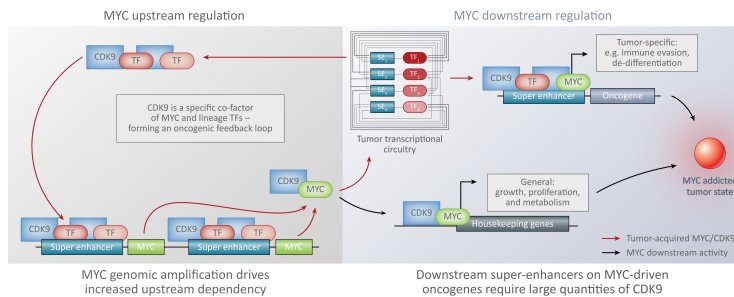
addiction. MYC amplification appears frequently in many common tumor types and is associated with aggressive disease.

**Percentage of Tumors in the National Cancer Institute's the Cancer Genome Atlas (TCGA) Dataset With Copy Number Gains of MYC, MYCN or MYCL**



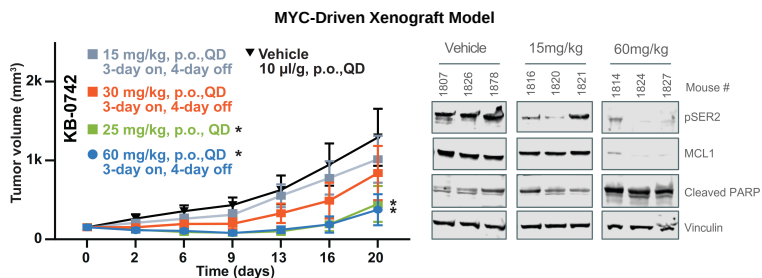
We believe that CDK9 is an attractive therapeutic target in transcriptionally addicted cancers, and specifically MYC-amplified solid tumors, due to its essential role in transcriptional elongation. MYC is critically dependent on CDK9 in order to drive transcription of downstream target genes and effect the oncogenic program. Additionally, a high rate of transcription is required to maintain elevated MYC protein levels, which creates an additional upstream dependency on large quantities of CDK9. These upstream and downstream dependencies are particularly acute in tumors with MYC genomic amplification, as these cells are addicted to high levels of MYC.

**MYC Upstream and Downstream Regulation**



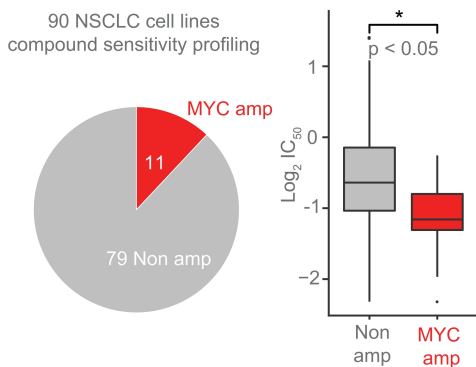
*In vivo* efficacy modeling with KB-0742 was initially conducted in a MYC-dependent AML xenograft model, MV4-11, and demonstrated dose dependent tumor growth inhibition at well-tolerated doses as measured by body weight. Assessment of PD markers in tumor also showed dose-dependent effects, including levels of pSer2 (a direct phosphorylation target of CDK9), MCL1 (an anti-apoptotic oncoprotein known to depend on CDK9) and cleaved PARP (a marker of apoptotic cell death). Importantly, we demonstrated that an intermittent dosing strategy of 60 mg/kg on a three days on / four days off schedule showed equivalent activity compared to the same amount of drug delivered with continuous daily dosing

(25 mg/kg QD). We believe that intermittent dosing may be better tolerated clinically and has the potential to improve therapeutic index for CDK9 inhibition.



While the initial xenograft data in the AML cell line are encouraging, we believe that a greater therapeutic opportunity lies in treating MYC-amplified solid tumors. Based on large scale *in vitro* viability profiling of KB-0742, we observed that MYC genomic amplification is correlated with increased sensitivity to compound treatment in non-small cell lung cancer tumors.

**Differential Sensitivity in MYC-Amplified NSCLC Cell Lines**



Additional *in vivo* experiments are ongoing to inform selection of appropriate patient populations for clinical development of KB-0742.

**Competitive Differentiation**

We believe that KB-0742 represents a differentiated opportunity for targeting CDK9 based on its selectivity profile, oral bioavailability and other attractive pharmacologic properties.

Multiple competitive CDK9 inhibitors are currently being investigated clinically; however, clinical results published to date have shown limited therapeutic index and, to our knowledge, none has



advanced into late-stage clinical trials. We believe that three primary factors differentiate KB-0742 and our translational strategy, and may enable an enhanced potential therapeutic index relative to competitor programs:

**CDK Selectivity.** CDK9 bears a high degree of structural similarity to other CDK family members, and nearly all previously reported CDK9 inhibitors possess significant inhibitory activity on other CDKs, including cell cycle CDKs. Even many purportedly selective CDK9 inhibitors have shown a relatively narrow fold-selectivity in biochemical assays, which may not be sufficient to avoid off-target activity at the physiologically relevant concentrations achieved in a clinical setting. This off-target activity may meaningfully contribute to the clinical profile of these competitive molecules, and in particular we believe that a lack of selectivity against cell-cycle CDKs may introduce safety liabilities unrelated to the transcriptional mechanism of CDK9. In contrast, KB-0742 was highly selective for CDK9 over other CDK family members, potentially enabling a superior opportunity to achieve therapeutically-relevant target coverage *in vivo* without meaningful inhibition of off-target CDKs.

**Biochemical Assay Panel Showed High Selectivity of KB-0742 for CDK9 over Other CDK Family Members**

Compound	KB-0742	
Potency (biochemical IC <sub>50</sub> )	CDK9	6 nM
Fold Selectivity CDK9 vs. other CDK family members	CDK8	>1000x
	CDK7	252x
	CDK6	658x
	CDK5	303x
	CDK4	522x
	CDK3	237x
	CDK2	66x
	CDK1	497x
Route of administration	Oral	

Transcriptional CDK

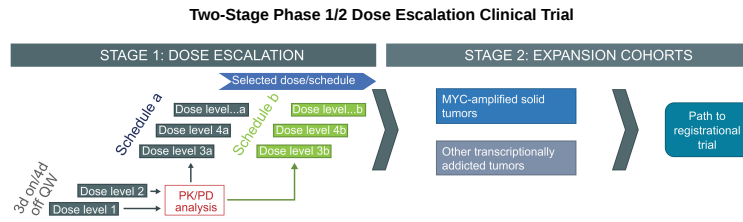
Cell cycle CDK

**PK Profile and Dosing Schedule.** Because of the essential role of CDK9 in all normal tissues, it is critical to optimize dosing schedule and duration of target coverage in order to achieve anti-tumor activity without eliciting undue toxicity in normal tissues. Based on our team's prior experience developing anti-cancer agents targeting epigenetic targets, we intend to pursue an intermittent dosing strategy, with the goal of maintaining a consistent level of target coverage for several days followed by a drug holiday to allow for recovery in normal tissue. Many competitor CDK9 inhibitors possess short half-life or are administered intravenously, resulting either in pulsatile target coverage or short overall duration of target coverage. By contrast, KB-0742 has demonstrated oral bioavailability in preclinical studies, and PK modeling indicates a potential long half-life in humans. We believe that this is an attractive profile and affords the flexibility to establish a therapeutic index by varying dose and schedule to achieve optimal target coverage in tumor.

**Patient Selection.** We believe that the underlying biology of a tumor and degree of transcriptional addiction is critical in determining its sensitivity to CDK9 inhibition, and by extension, therapeutic index. Rather than selecting patients solely based on a tumor's tissue of origin, we intend to take a differentiated approach to clinical translation by focusing on development in patient populations with clear genomic markers of transcriptional addiction including MYC amplification.

## Development Strategy

We have completed IND-enabling studies and are currently working to submit an IND for KB-0742 in the fourth quarter of 2020. Subject to the clearance of our planned IND, we plan to initiate in 2021 a Phase 1/2 clinical trial of KB-0742 in cancer patients to evaluate its safety, PK and PD across multiple dose levels and dosing schedules in order to identify a recommended dose and schedule. After identifying the recommended dose level and dosing schedule, we intend to enroll expansion cohorts of patients with MYC-amplified solid tumors and potentially other transcriptionally addicted tumor types, with the goal of assessing safety and PD response in these patient populations.



We intend to enroll the initial dose escalation cohorts on a three days on / four days off intermittent dosing schedule. Based on PK data, PD response markers and safety observations in these early patients, we may explore alternative dosing schedules to modify the duration of the dosing period or drug holiday. We believe that this schedule flexibility, enabled by an oral dosing formulation, is critical for identifying an optimal dosing strategy that balances target coverage and anti-tumor activity with safety and tolerability.

Following identification of a recommended Phase 2 clinical trial dose and schedule, we intend to enroll expansion cohorts in one or more biomarker-defined patient populations with transcriptionally addicted cancers, beginning with MYC-amplified solid tumors regardless of tissue of origin. We may enroll an additional cohort of soft tissue sarcoma patients with transcription factor fusions and patients with chordoma, an incurable solid tumor addicted to the brachyury transcription factor. Although patients with these tumor types are relatively rare, we believe it is feasible to enroll such patients at major academic centers, which may provide a unique opportunity to demonstrate proof of concept for KB-0742. Clinical results from these expansion cohorts, anticipated to be available in 2022, will inform the future development and registration strategy for KB-0742.

## Discovery Programs

We continually invest in early discovery efforts utilizing our proprietary product engine, with the goal of expanding our pipeline of future product candidates. Our current efforts are focused on four cancer types where dysregulated transcription plays a central role: hematologic malignancies, prostate cancer, MYC-driven cancers, and SCNC. Within these cancer types, we believe that we can develop a deep understanding of the underlying disease biology, engineer robust systems to characterize perturbation signatures, and identify multiple potential opportunities for therapeutic intervention through modulation of key TRN components. We select our discovery targets based on multiple scientific, translational and competitive considerations, prioritizing those where dependency has been demonstrated in a defined patient population with high unmet medical need, and where we believe we can design an efficient early clinical translation strategy based upon our understanding of the disease biology.

- **Hematologic Malignancies.** Despite significant advances in medical management of patients with hematologic malignancies, the majority of patients eventually progress through standard of care therapy and long-term outcomes remain poor. There is a demonstrated need for novel and

more durable treatments for hematologic malignancies, including AML and multiple myeloma. In addition to our clinical SYK inhibitor program in HOX/MEIS-high AML, we are actively conducting discovery efforts targeting MYB, a key lineage transcription factor in early hematopoiesis that is dysregulated in leukemia and interacts with many known leukemia driver genes. We are also actively conducting discovery efforts on IRF4, which is a major driver of multiple myeloma and which is downstream of the primary resistance pathway for thalidomide analogs.

- **Prostate Cancer.** Dysregulation of the androgen receptor (AR) TRN is a primary driver of prostate cancer. Multiple approved products target the AR TRN by directly inhibiting AR, such as enzalutamide or apalutamide, or by inhibiting androgen biosynthesis, such as abiraterone acetate. Although androgen deprivation therapy is effective in controlling disease, a large number of patients ultimately develop therapy resistance and succumb to castration-resistant prostate cancers. Castration resistance is commonly induced by certain AR variants, such as ARv7, that lack the ligand binding domain and consequently are no longer considered conventionally druggable. Critically, these AR variant tumors still are driven by and depend on increased activity of the AR TRN. Our discovery efforts seek to identify novel modulators of AR TRN activity that are effective in tumor lines expressing AR variants.
- **MYC-Driven Cancers.** The MYC family of dysregulated transcription factors is among the small number of proto-oncogenes capable of driving tumor formation and growth in a wide variety of contexts. In normal cells, MYC acts at the nexus of multiple signaling pathways to coordinate gene expression programs associated with cell growth, metabolism and proliferation. In tumors, MYC dysregulation is defined by increased levels and activity of the full length MYC transcription factor. MYC is dysregulated in a significant proportion of malignancies and its dysregulation is associated with aggressive disease and poor clinical outcomes. As such, targeting MYC has long been considered one of the great challenges in developing cancer therapeutics. In many MYC dysregulated tumors, oncogenic driver events rewire the MYC TRN to introduce positive feedback loops that lead to runaway MYC activation. In addition to our CDK9 program, which focuses on the treatment of patients with MYC-amplified solid tumors, we are focusing discovery efforts to find additional modulators of the MYC TRN.
- **SCNC.** Tumor cells can transition between cell states, or subtypes, in response to therapy as a means of acquiring resistance and becoming more aggressive. In particular, many solid tumors adapt to and eventually overcome standard of care therapy as a result of transitions into a SCNC subtype. SCNC state transitions are common in small cell lung cancer, and are also observed in neuroblastoma, prostate cancer, and pancreatic cancer, and patients with these cancers face a very poor prognosis. The transcription factor ASCL1 has emerged as a critical node in the SCNC TRN. It is both a biomarker of the SCNC subtype and a demonstrated dependency in these cancers. Our discovery efforts currently focus on identifying modulators of ASCL1 transcription factor activity within the SCNC TRN.

#### *Future Opportunities*

While many opportunities remain within oncology, dysregulated TRNs also play a central role in many other disease states. Future applications of our differentiated product engine in the immunology field may hold particular promise, especially with respect to targeting TRNs that influence the tumor microenvironment and anti-tumor immune response or tolerance. As our discovery organization continues to grow, we intend to regularly re-evaluate our discovery pipeline and seek to identify additional opportunities to fully exploit our differentiated product engine.

#### **Strategic Agreements**

##### ***Gilead Asset Purchase Agreement***

In July 2020, we entered into the Gilead Asset Purchase Agreement, pursuant to which we acquired certain assets from and assumed certain liabilities of Gilead related to ENTO and LANRA, and patents

and other intellectual property covering or related to the development, manufacture and commercialization of ENTO and LANRA.

In consideration for such assets, on the date of the Gilead Asset Purchase Agreement, we made a \$3.0 million upfront cash payment and issued a \$3.0 million principal amount convertible promissory note to Gilead (Gilead Note), the material terms of which are summarized below. We also made a \$0.7 million payment to reimburse Gilead for certain liabilities we assumed pursuant to the Gilead Asset Purchase Agreement. In addition, we are required to make milestone payments upon successful achievement of certain regulatory and sales milestones for ENTO, LANRA and other SYK inhibitor compounds covered by the patent rights acquired pursuant to the Gilead Asset Purchase Agreement and developed by us as a back-up to ENTO or LANRA (Other Compounds). Upon initiation of our planned registrational Phase 2/3 clinical trial of ENTO in combination with IC in AML patients with NPM1 mutations, we will be required to pay a milestone to Gilead of \$29.0 million, and upon successful completion of certain other regulatory milestones in the United States, European Union and United Kingdom for ENTO, LANRA and any Other Compounds, across up to two distinct indications, we will be required to pay to Gilead an aggregate total of \$51.25 million. Upon achieving certain thresholds for the aggregate annual net sales of ENTO, LANRA and any Other Compounds combined, we would owe to Gilead potential milestone payments totaling \$115.0 million.

Gilead is also eligible to receive (i) tiered marginal royalties ranging from the very low-teens to high-teens on annual worldwide net sales of ENTO, (ii) tiered marginal royalties ranging from high-single digits to the mid-teens on annual worldwide net sales of LANRA and (iii) tiered marginal royalties ranging from the low single digits to mid-single digits on annual worldwide net sales of any Other Compounds. The royalties in the foregoing clauses are subject to reduction, on a country-by-country basis, for products not covered by certain claims within the assigned patents, for generic entry and, in the case of ENTO and LANRA, for any royalties paid for future licenses of third party intellectual property required to develop or commercialize ENTO or LANRA. Our royalty obligation with respect to a given product in a given country begins upon the first commercial sale of such product in such country and ends on the latest of (i) expiration of the last claim of a defined set of the assigned patent rights covering such product in such country, (ii) loss of exclusive data or marketing rights to such product in such country or (iii) 10 years from the first commercial sale of such product in such country.

Under the Gilead Asset Purchase Agreement, we are required to use commercially reasonable efforts to develop, obtain regulatory approval for and commercialize either ENTO or LANRA.

Gilead is required, subject to certain limitations, to indemnify us against damages arising out of any breach in the representations or warranties made by Gilead, any breach of a covenant by Gilead, any use or exploitation of the acquired assets by or on behalf of Gilead prior to the closing of the Gilead Asset Purchase Agreement, or any liability not specifically assumed by us under the Gilead Asset Purchase Agreement, subject to certain caps. Likewise, we are required, subject to certain limitations, to indemnify Gilead against damages arising out of any breach of our representations and warranties, any breach of a covenant made in the agreement, any use or exploitation of the acquired assets by us or on our behalf on or after the closing of the Gilead Asset Purchase Agreement, or any assumed liability, subject to certain caps.

The Gilead Note accrues interest at a rate of 6% per year, compounded annually and if not otherwise repaid or converted as described below, will mature on July 14, 2022. Upon the closing of this offering, the Gilead Note will be settled through our payment to Gilead of \$6.0 million plus unpaid accrued interest thereon unless Gilead notifies us on or prior to \_\_\_\_\_, 2020 of Gilead's election to cause the Gilead Note (including unpaid accrued interest) to be converted into shares of our common stock upon the closing of this offering. In the event Gilead timely elects to convert the Gilead Note into shares of our common stock in connection with the closing of this offering, the conversion price will be equal 85% of the initial public offering price per share set forth on the cover page of this prospectus.

### **Harvard License Agreement**

In January 2018, we entered into a license agreement with President and Fellows of Harvard College (Harvard), pursuant to which Harvard granted us a non-exclusive, worldwide, royalty-free license to certain patent rights covering aspects of our SMM platform. We paid a one-time license fee in the amount of \$10,000 on the date of the agreement and an annual license maintenance fee of \$20,000 on each of the first two anniversaries. We are required to pay \$25,000 on each subsequent anniversary until the last to expire of any valid claim included in the licensed patents.

Unless earlier terminated in accordance with the agreement, the agreement will continue until the last to expire of any valid claim of the licensed patents. In addition, the agreement can be terminated (i) by either party for the other party's material breach that remains uncured for 30 days after written notice, (ii) by Harvard if we fail to meet certain insurance obligations immediately without notice, and for certain insolvency-related events upon notice, and (iii) by us, for any reason, upon 60 days' written notice.

### **Sales and Marketing**

Given our stage of development, we have not yet established a commercial organization or distribution capabilities. We intend to build a commercial infrastructure to support sales of any of our approved products. We expect to manage sales, marketing and distribution through internal resources and third-party relationships. While we may commit significant financial and management resources to commercial activities, we will also consider collaborating with one or more pharmaceutical companies to enhance our commercial capabilities.

### **Manufacturing**

We do not own or operate, and currently have no plans to establish, any manufacturing facilities. We currently rely, and expect to continue to rely for the foreseeable future, on third parties for the manufacture of our product candidates for preclinical and clinical testing, as well as for commercial manufacture of any products that we may commercialize. In this regard, while we have purchased initial inventory of active pharmaceutical ingredients (APIs) and clinical drug supply for ENTO and LANRA from Gilead under the Gilead Asset Purchase Agreement, we will need to obtain further supplies of APIs and clinical drug supply for ENTO, KB-0742 and, if we choose to develop it, LANRA, from third-party manufacturers. We expect to initially obtain our supplies from manufacturers on a purchase order basis without long-term supply arrangements in place. We do not currently have arrangements in place for redundant supply for APIs and drug product. For all of our product candidates, we intend to identify and qualify manufacturers to provide the APIs and drug product prior to submission of an NDA to the FDA or other marketing authorization applications to other regulatory authorities.

All our product candidates are compounds of low molecular weight, generally called small molecules. They can be manufactured from readily available starting materials in reliable and reproducible synthetic processes that are amenable to scale-up and do not require specialized equipment in the manufacturing process. We expect to continue to develop product candidates that can be produced cost-effectively at contract manufacturing facilities.

### **Competition**

The pharmaceutical and biotechnology industries are characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary drugs. We compete in the segments of the pharmaceutical, biotechnology and other related markets that address inhibition of kinases and targeting transcriptional regulation in cancer. While we believe that our technology, development experience and scientific knowledge provide us with competitive advantages, we face potential competition from many different sources, including major pharmaceutical, specialty pharmaceutical and biotechnology companies, academic institutions and governmental agencies and public and private research institutions. Any product candidates that we successfully develop and

ultimately commercialize will compete with existing products and new products that may become available in the future.

In the case of our lead product candidate, ENTO, there are currently no approved products on the market that address the HOX/MEIS-high or NPM1 mutations subset of AML patients. However, there is an approved SYK inhibitor product, which is marketed by Rigel Pharmaceuticals under the name fostamatinib, for the treatment of chronic immune thrombocytopenia. Presently, we are not aware of this product being developed in AML. ENTO may also compete against product candidates that are currently in clinical development, including: (i) HMPL-523, a SYK inhibitor being developed by Hutchison Medipharma Ltd. that is in Phase 1 evaluation in hematologic malignancies; (ii) product candidates in early clinical development that target the interaction between MLL and MENIN in MLL-r and AML patients with NPM1 mutations, which, if approved, could compete with ENTO, including (a) SNDX-5613, being developed by Syndax Pharmaceuticals, Inc. in a Phase 1 clinical trial as monotherapy in relapsed or refractory AML, and (b) KO-539, being developed by Kura Oncology, Inc. in a Phase 1 clinical trial as monotherapy in relapsed or refractory AML; and (iii) product candidates that may compete with ENTO by addressing the subset of AML patients with FLT3 mutations and are currently in development in combination with FLT3 inhibitors, including (a) venetoclax, a BCL-2 inhibitor being developed by Abbvie, (b) CPX-351, a liposomal formulation of daunorubicin and cytarabine being developed by Jazz Pharmaceuticals, and (c) CC-90009, a cereblon E3 ligase modulator being developed by Bristol-Myers Squibb.

If we choose to develop, and are successful in developing, LANRA as a follow-on compound to ENTO, we expect that LANRA would face similar competition.

With respect to KB-0742, we expect it to compete against various multi-CDK inhibitors that are currently in early-stage clinical development, including: AZD4573, being developed by AstraZeneca; TP-1287, being developed by Tolero Pharmaceuticals; CYC-065, being developed by Cyclacel Pharmaceuticals; Zotiraciclib, being developed by the National Cancer Institute; and Dinaciclib, being developed by Merck & Co.

Many of the companies against which we are competing or against which we may compete in the future have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved drugs than we do. Mergers and acquisitions in the pharmaceutical, biotechnology and diagnostic industries may result in even more resources being concentrated among a smaller number of our competitors. 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 enrollment in clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

We could see a reduction or elimination in our commercial opportunity if our competitors develop and commercialize drugs that are safer, more effective, have fewer or less severe side effects, are more convenient to administer, are less expensive or with a more favorable label than any of our product candidates. Our competitors also may obtain FDA or other regulatory approval for their drugs 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. The key competitive factors affecting the success of all of our product candidates, if approved, are likely to be their efficacy, safety, convenience, price, the effectiveness of companion diagnostics, the level of generic competition and the availability of reimbursement from government and other third-party payors.

#### **Intellectual Property**

Our commercial success depends in part on our ability to obtain and maintain proprietary protection for our most advanced product candidates, ENTO and LANRA, our development stage product, KB-0742,

our future product candidates, as well as novel discoveries, product development technologies, and know-how. Our commercial success also depends in part on our ability to operate without infringing the proprietary rights of others and to prevent others from infringing our proprietary rights. Our policy is to develop and maintain protection of our proprietary position and freedom to operate by, among other means, filing and prosecuting, or in-licensing or acquiring U.S. and foreign patents and patent applications covering those products, technology, inventions, and improvements that are important to our business.

We also rely on trademarks, trade secrets, know-how, continuing technological innovation, confidentiality agreements, and invention assignment agreements to develop and maintain our proprietary position. The confidentiality agreements are designed to protect our proprietary information and the invention assignment agreements are designed to grant us ownership of technologies that are developed by our employees, consultants, or other third parties. We seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. While we have confidence in our agreements and security measures, either may be breached, and we may not have adequate remedies. In addition, our trade secrets may otherwise become known or independently discovered by competitors.

With respect to both licensed and company-owned intellectual property, we cannot be sure that patents will be granted with respect to any of our pending patent applications or with respect to any patent applications filed by us in the future, nor can we be sure that any of our existing patents or any patents that may be granted to us in the future will be commercially useful in protecting our commercial products and methods of using and manufacturing the same.

We are actively building our intellectual property portfolio around our product candidates and our discovery programs, based on our own intellectual property as well as licensed intellectual property. Following the execution of the Gilead Asset Purchase Agreement, we are the owners of multiple patents and patent applications in the United States and worldwide directed to composition of matter and methods of use of ENTO and LANRA and other related SYK inhibitor compounds.

Our patent portfolio in general includes patents and patent applications directed to our lead product candidate, ENTO, as well as to LANRA, KB-0742 and our other research-stage candidates, all of which are solely owned by us.

With respect to ENTO, our patent portfolio includes two U.S. patents directed to composition of matter, with corresponding patents in Europe, Hong Kong, and Vietnam all with a nominal patent term to 2029; three U.S. patents directed to formulations or their use or manufacture, with a corresponding patent in Europe and a corresponding patent application in Hong Kong, all with a nominal term to 2034; two U.S. patents directed to polymorphic forms or their use or manufacture, with corresponding patents in Australia, New Zealand, Japan, and Canada, and a corresponding patent application in Hong Kong, all with a nominal term to 2034; and five U.S. patents and additional patents and patent applications in Europe and Hong Kong directed to methods of use, all with nominal terms between 2029 and 2037. Nominal patent terms are determined as 20 years from the earliest nonprovisional filing date to which priority is claimed, and do not take into account extensions that are or may be available.

With respect to LANRA, our patent portfolio includes one U.S. patent directed to composition of matter and one U.S. patent directed to polymorphic forms and their use, with corresponding composition-of-matter patents and patent applications in Europe, Australia and other countries in Oceania, Taiwan, Singapore, Japan, Hong Kong, South Korea, China, various central Asian countries, various southeast Asian countries, Russia, Ukraine, Israel and certain other middle eastern countries, Mexico, Colombia, Argentina, Brazil, Chile, South Africa, Canada, India, and certain central American countries, all with a nominal term to 2034. Our LANRA patent portfolio also includes two U.S. patents directed to method of use in combination with vinca alkaloids, both with a nominal term of 2034; two U.S. patents directed to method of use, with nominal terms of 2034 and 2037; and method of use patent applications in Europe and Hong Kong, both with a nominal term of 2037.

With respect to KB-0742, we have filed U.S. Patent Application Number 16/667,027 and International Patent Cooperation Treaty (PCT) Application PCT/US2019/058482. These applications are directed to the KB-0742 compound, compositions, and methods of treating CDK9-mediated diseases with KB-0742, analogs of KB-0742 and other research-stage candidate compounds that modulate CDK9 activity. International PCT Application PCT/US2019/058482 preserves our right to file national applications in member countries of the Patent Cooperation Treaty including the European Union, Canada, Mexico, Japan, China, South Korea, Australia amongst other countries and territories.

Our SMM platform component of our product engine is protected both by certain patents which we have licensed under the Harvard License, as well as proprietary know-how we have generated, including with respect to its use in drug discovery screening against transcription factors in tumor cell lysate. We continue to assess the extent to which we may seek additional patent protection for aspects of our product engine or instead maintain such intellectual property as trade secrets.

The term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the date of filing of the first non-provisional application to which priority is claimed. In the United States, patent term may be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the United States Patent and Trademark Office in granting a patent, or may be shortened if a patent is terminally disclaimed over an earlier-filed patent. In the United States, the term of a patent that covers an FDA-approved drug may also be eligible for a patent term extension of up to five years under the Hatch-Waxman Act, which is designed to compensate for the patent term lost during the FDA regulatory review process. The length of the patent term extension is calculated based on the length of time it takes for regulatory review. A patent term extension under the Hatch-Waxman Act cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval and only one patent applicable to an approved drug may be restored. Moreover, a patent can only be restored once, and thus, if a single patent is applicable to multiple products, it can only be extended based on one product. Similar provisions are available in Europe and certain other foreign jurisdictions to extend the term of a patent that covers an approved drug.

#### **Government Regulation and Product Approval**

Government authorities in the United States, at the federal, state and local level, and other countries extensively regulate, among other things, the research, development, testing, manufacture, quality control, approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, marketing and export and import of products such as those we are developing. A new drug must be approved by the FDA through the NDA process before it may be legally marketed in the United States.

#### **U.S. Drug Development Process**

In the United States, the FDA regulates drugs under the federal Food, Drug, and Cosmetic Act (FDCA), and its implementing regulations. 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. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or after approval may subject an applicant to administrative or judicial sanctions. These sanctions could include the FDA's refusal to approve pending applications, withdrawal of an approval, a clinical hold, warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties. Any agency or judicial enforcement action could have a material adverse effect on us.

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

- completion of preclinical laboratory tests, animal studies and formulation studies in accordance with FDA's good laboratory practice requirements and other applicable regulations;



- submission to the FDA of an IND, which must become effective before human clinical trials may begin;
- approval by an independent IRB ethics committee at each clinical site before each trial may be initiated;
- performance of adequate and well-controlled human clinical trials in accordance with GCP requirements to establish the safety and efficacy of the proposed drug for its intended use;
- submission to the FDA of an NDA after completion of all pivotal trials;
- satisfactory completion of an FDA advisory committee review, if applicable;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the drug is produced to assess compliance with cGMP requirements to assure that the facilities, methods and controls are adequate to preserve the drug's identity, strength, quality and purity, and of selected clinical investigation sites to assess compliance with GCPs; and
- FDA review and approval of the NDA to permit commercial marketing of the product for particular indications for use in the United States.

Prior to beginning the first clinical trial with a product candidate in the United States, we must submit an IND to the FDA. An IND is a request for authorization from the FDA to administer an investigational new drug product to humans. The central focus of an IND submission is on the general investigational plan and the protocol(s) for clinical studies. The IND also includes results of animal and *in vitro* studies assessing the toxicology, PK, pharmacology, and PD characteristics of the product; chemistry, manufacturing, and controls information; and any available human data or literature to support the use of the investigational product. An IND must become effective before human clinical trials may begin. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, raises safety concerns or questions about the proposed clinical trial. 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 the clinical trial can begin. Submission of an IND therefore may or may not result in FDA authorization to begin a clinical trial.

Clinical trials involve the administration of the investigational product 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 their participation in any clinical study. Clinical trials are conducted under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. A separate submission to the existing IND must be made for each successive clinical trial conducted during product development and for any subsequent protocol amendments. Furthermore, an independent IRB for each site proposing to conduct the clinical trial must review and approve the plan for any clinical trial and its informed consent form before the clinical trial begins at that site and must monitor the study until completed. Regulatory authorities, the IRB or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the subjects are being exposed to an unacceptable health risk or that the trial is unlikely to meet its stated objectives. Some studies also include oversight by an independent group of qualified experts organized by the clinical study sponsor, known as a data safety monitoring board, which provides authorization for whether or not a study may move forward at designated check points based on access to certain data from the study and may halt the clinical trial if it determines that there is an unacceptable safety risk for subjects or other grounds, such as no demonstration of efficacy. There are also requirements governing the reporting of ongoing clinical studies and clinical study results to public registries.

Human clinical trials are typically conducted in three sequential phases that may overlap or be combined:

- Phase 1: The product candidate is initially introduced into healthy human subjects or patients with the target disease or condition. These studies are designed to test the safety, dosage tolerance, absorption, metabolism and distribution of the investigational product in humans, the side effects associated with increasing doses, and, if possible, to gain early evidence on effectiveness. In the case of some products for severe or life-threatening diseases, such as cancer, especially when the product may be too inherently toxic to ethically administer to healthy volunteers, the initial human testing is often conducted in patients.
- Phase 2: The product candidate is administered to a limited patient population with a specified disease or condition to evaluate the preliminary efficacy, optimal dosages and dosing schedule and to identify possible adverse side effects and safety risks. Multiple Phase 2 clinical trials may be conducted to obtain information prior to beginning larger and more expensive Phase 3 clinical trials.
- Phase 3: The product candidate is administered to an expanded patient population to further evaluate dosage, to provide statistically significant evidence of clinical efficacy and to further test for safety, generally at multiple geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk/benefit ratio of the investigational product and to provide an adequate basis for product approval.

Post-approval trials, sometimes referred to as Phase 4 studies, may be conducted after initial marketing approval. These trials are used to gain additional experience from the treatment of patients in the intended therapeutic indication. In certain instances, the FDA may mandate the performance of Phase 4 clinical trials as a condition of approval of an NDA.

The FDA or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the research subjects or patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB's requirements or if the drug has been associated with unexpected serious harm to patients. In addition, some clinical trials are overseen by an independent group of qualified experts organized by the sponsor, known as a data safety monitoring board or committee. Depending on its charter, this group may determine whether a trial may move forward at designated check points based on access to certain data from the trial.

During the development of a new drug, sponsors are given opportunities to meet with the FDA at certain points. These points may be prior to submission of an IND, at the end of Phase 2, and before an NDA is submitted. Meetings at other times may be requested. These meetings can provide an opportunity for the sponsor to share information about the data gathered to date, for the FDA to provide advice, and for the sponsor and the FDA to reach agreement on the next phase of development. Sponsors typically use the meetings at the end of the Phase 2 trial to discuss Phase 2 clinical results and present plans for the pivotal Phase 3 clinical trials that they believe will support approval of the new drug.

Concurrent with clinical trials, companies usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the drug and finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, the manufacturer must develop methods for testing the identity, strength, quality and purity of the final drug. In addition, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

While the IND is active and before approval, progress reports summarizing the results of the clinical trials and nonclinical studies performed since the last progress report must be submitted at least annually

to the FDA, and written IND safety reports must be submitted to the FDA and investigators for serious and unexpected suspected adverse events, findings from other studies suggesting a significant risk to humans exposed to the same or similar drugs, findings from animal or *in vitro* testing suggesting a significant risk to humans, and any clinically important increased incidence of a serious suspected adverse reaction compared to that listed in the protocol or investigator brochure.

#### **U.S. Review and Approval Process**

Assuming successful completion of all required testing in accordance with all applicable regulatory requirements, the results of product development, preclinical and other non-clinical studies and clinical trials, along with descriptions of the manufacturing process, analytical tests conducted on the chemistry of the drug, proposed labeling and other relevant information are submitted to the FDA as part of an NDA requesting approval to market the product. The submission of an NDA is subject to the payment of substantial user fees; a waiver of such fees may be obtained under certain limited circumstances. Additionally, no user fees are assessed on NDAs for products designated as orphan drugs, unless the product also includes a non-orphan indication.

The FDA reviews an NDA to determine, among other things, whether a product is safe and effective for its intended use and whether its manufacturing is cGMP-compliant to assure and preserve the product's identity, strength, quality and purity. Under the Prescription Drug User Fee Act (PDUFA), guidelines that are currently in effect, the FDA has a goal of ten months from the date of "filing" of a standard NDA for a new molecular entity to review and act on the submission. This review typically takes twelve months from the date the NDA is submitted to FDA because the FDA has approximately two months to make a "filing" decision after it the application is submitted. The FDA conducts a preliminary review of all NDAs within the first 60 days after submission, before accepting them for filing, to determine whether they are sufficiently complete to permit substantive review. The FDA may request additional information rather than accept an NDA for filing. In this event, the NDA must be resubmitted with the additional information. The resubmitted application also is subject to review before the FDA accepts it for filing.

The FDA may refer an application for a novel drug to an advisory committee. An advisory committee is a panel of independent experts, including clinicians and other scientific experts, that reviews, evaluates and provides a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

Before approving an NDA, the FDA will typically 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 and adequate to assure consistent production of the product within required specifications. Additionally, before approving a NDA, the FDA will typically inspect one or more clinical sites to assure compliance with GCPs. If the FDA determines that the application, manufacturing process or manufacturing facilities are not acceptable, it will outline the deficiencies in the submission and often will request additional testing or information. Notwithstanding the submission of any requested additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval.

After the FDA evaluates an NDA, it will issue an approval letter or a Complete Response Letter. An approval letter authorizes commercial marketing of the drug with prescribing information for specific indications. A Complete Response Letter indicates that the review cycle of the application is complete, and the application will not be approved in its present form. A Complete Response Letter usually describes the specific deficiencies in the NDA identified by the FDA and may require additional clinical data, such as an additional pivotal Phase 3 trial or other significant and time-consuming requirements related to clinical trials, nonclinical studies or manufacturing. If a Complete Response Letter is issued, the sponsor must resubmit the NDA or, addressing all of the deficiencies identified in the letter, or withdraw

the application. Even if such data and information are submitted, the FDA may decide that the NDA does not satisfy the criteria for approval.

If regulatory approval of a product is granted, such approval will be granted for particular indications and may entail limitations on the indicated uses for which such product may be marketed. For example, the FDA may approve the NDA with a REMS to ensure the benefits of the product outweigh its risks. A REMS is a safety strategy to manage a known or potential serious risk associated with a medicine and to enable patients to have continued access to such medicines by managing their safe use, and could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries, and other risk minimization tools. The FDA also may condition approval on, among other things, changes to proposed labeling or the development of adequate controls and specifications. Once approved, the FDA may withdraw the product approval if compliance with pre- and post-marketing requirements is not maintained or if problems occur after the product reaches the marketplace. The FDA may also require one or more Phase 4 post-market studies and surveillance to further assess and monitor the product's safety and effectiveness after commercialization, and may limit further marketing of the product based on the results of these post-marketing studies. In addition, new government requirements, including those resulting from new legislation, may be established, or the FDA's policies may change, which could impact the timeline for regulatory approval or otherwise impact ongoing development programs.

In addition, the Pediatric Research Equity Act (PREA), requires a sponsor to conduct pediatric clinical trials for most drugs, for a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration. Under PREA, original NDAs and supplements must contain a pediatric assessment unless the sponsor has received a deferral or waiver. The required assessment must evaluate the safety and effectiveness of the product for the claimed indications in all relevant pediatric subpopulations and support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The sponsor or FDA may request a deferral of pediatric clinical trials for some or all of the pediatric subpopulations. A deferral may be granted for several reasons, including a finding that the drug is ready for approval for use in adults before pediatric clinical trials are complete or that additional safety or effectiveness data needs to be collected before the pediatric clinical trials begin. The FDA must send a non-compliance letter to any sponsor that fails to submit the required assessment, keep a deferral current or fails to submit a request for approval of a pediatric formulation.

#### ***Expedited Development and Review Programs***

The FDA has a fast track designation program that is intended to expedite or facilitate the process for reviewing new drug products that meet certain criteria. Specifically, new drugs 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. With regard to a fast track product, 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.

Any product submitted to the FDA for approval, including a product with a fast track designation, may also be eligible for other types of FDA programs intended to expedite development and review, such as priority review and accelerated approval. A product is eligible for priority review if it has the potential to provide safe and effective therapy where no satisfactory alternative therapy exists or a significant improvement in the treatment, diagnosis or prevention of a disease compared to marketed products. The FDA will attempt to direct additional resources to the evaluation of an application for a new drug designated for priority review in an effort to facilitate the review. The FDA endeavors to review applications with priority review designations within six months of the filing date as compared to ten months for review of new molecular entity NDAs under its current PDUFA review goals.

In addition, a product may be eligible for accelerated approval. Drug products intended to treat serious or life-threatening diseases or conditions may be eligible for 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 approval, the FDA may require that a sponsor of a drug receiving accelerated approval perform adequate and well-controlled post-marketing clinical trials. In addition, the FDA currently requires pre-approval of promotional materials as a condition for accelerated approval, which could adversely impact the timing of the commercial launch of the product.

The Food and Drug Administration Safety and Innovation Act established a category of drugs referred to as "breakthrough therapies" that may be eligible to receive breakthrough therapy designation. A sponsor may seek FDA designation of a product candidate as a "breakthrough therapy" if the product is intended, alone or in combination with one or more other products, to treat a serious or life-threatening disease or condition and 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. The breakthrough therapy designation is a distinct status from both accelerated approval and priority review, which can also be granted to the same drug if relevant criteria are met. If a product is designated as breakthrough therapy, the FDA will work to expedite the development and review of such drug.

Fast track designation, breakthrough therapy designation, priority review, and accelerated approval do not change the standards for approval, but may expedite the development or approval process. Even if a product qualifies for one or more of these programs, the FDA may later decide that the product no longer meets the conditions for qualification or decide that the time period for FDA review or approval will not be shortened. We may explore some of these opportunities for our product candidates as appropriate.

#### **Post-approval Requirements**

Any products manufactured or distributed by us pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to record-keeping, reporting of adverse experiences, periodic reporting, product sampling and distribution, and advertising and promotion of the product. 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, annual program fees for any marketed products. Drug manufacturers and their subcontractors are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP, which impose certain procedural and documentation requirements upon us and our third-party manufacturers. Changes to the manufacturing process are strictly regulated, and, depending on the significance of the change, may require prior FDA approval before being implemented. 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 if compliance with regulatory requirements and standards 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 the product, complete withdrawal of the product from the market or product recalls;
- fines, warning letters, or untitled letters;
- clinical holds on clinical studies;
- refusal of the FDA to approve pending applications or supplements to approved applications, or suspension or revocation of product license approvals;
- product seizure or detention, or refusal to permit the import or export of products;
- consent decrees, corporate integrity agreements, debarment or exclusion from federal healthcare programs;
- mandated modification of promotional materials and labeling and the issuance of corrective information;
- the issuance of safety alerts, Dear Healthcare Provider letters, press releases and other communications containing warnings or other safety information about the product; or
- injunctions or the imposition of civil or criminal penalties.

The FDA closely regulates the marketing, labeling, advertising and promotion of drug products. A company can make only those claims relating to safety and efficacy, purity and potency that are approved by the FDA and in accordance with the provisions of the approved label. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. Failure to comply with these requirements can result in, among other things, adverse publicity, warning letters, corrective advertising and potential civil and criminal penalties. Physicians may prescribe, in their independent professional medical judgment, legally available products for uses that are not described in the product's labeling and that differ from those tested by us and approved by the FDA. Physicians may believe that such off-label uses are the best treatment for many patients in varied circumstances. The FDA does not regulate the behavior of physicians in their choice of treatments. The FDA does, however, restrict manufacturer's communications on the subject of off-label use of their products. The federal government has levied large civil and criminal fines against companies for alleged improper promotion of off-label use and has enjoined companies from engaging in off-label promotion. The FDA and other regulatory agencies have also required that companies enter into consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed. However, companies may share truthful and not misleading information that is otherwise consistent with a product's FDA-approved labelling.

#### **Marketing Exclusivity**

Market exclusivity provisions authorized under the FDCA can delay the submission or the approval of certain marketing applications. The FDCA provides a five-year period of non-patent marketing exclusivity within the United States to the first applicant to obtain approval of an NDA for a new chemical entity. A drug is a new chemical entity if the FDA has not previously approved any other new drug containing the same active moiety, which is the molecule or ion responsible for the action of the drug substance. During the exclusivity period, the FDA may not approve or even accept for review an abbreviated new drug application (ANDA), or an NDA submitted under Section 505(b)(2) (505(b)(2) NDA), submitted by another company for another drug based on the same active moiety, regardless of whether the drug is intended for the same indication as the original innovative drug or for another indication, where the applicant does not own or have a legal right of reference to all the data required for approval. However, an application may be submitted after four years if it contains a certification of patent invalidity or non-infringement to one of the patents listed with the FDA by the innovator NDA holder.

The FDCA alternatively provides three years of marketing exclusivity for an NDA, or supplement to an existing NDA if new clinical investigations, other than bioavailability studies, that were conducted or sponsored by the applicant are deemed by the FDA to be essential to the approval of the application, for example new indications, dosages or strengths of an existing drug. This three-year exclusivity covers only the modification for which the drug received approval on the basis of the new clinical investigations and does not prohibit the FDA from approving ANDAs or 505(b)(2) NDAs for drugs containing the active agent for the original indication or condition of use. Five-year and three-year exclusivity will not delay the submission or approval of a full NDA. However, an applicant submitting a full NDA would be required to conduct or obtain a right of reference to any preclinical studies and adequate and well-controlled clinical trials necessary to demonstrate safety and effectiveness.

Pediatric exclusivity is another type of marketing exclusivity available in the United States. Pediatric exclusivity provides for an additional six months of marketing exclusivity attached to another period of exclusivity if a sponsor conducts clinical trials in children in response to a written request from the FDA. The issuance of a written request does not require the sponsor to undertake the described clinical trials. In addition, orphan drug exclusivity, as described above, may offer a seven-year period of marketing exclusivity, except in certain circumstances.

#### **Other Healthcare Laws**

Pharmaceutical and medical device manufacturers 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 may constrain the business or financial arrangements and relationships through which we research, as well as, sell, market and distribute any products for which we obtain marketing approval and include, without limitation:

- the federal Anti-Kickback Statute prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under a federal healthcare program such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the federal Anti-Kickback 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 U.S. federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act;
- the federal false claims laws, including the civil False Claims Act, which can be enforced by private citizens through civil whistleblower or qui tam actions, and civil monetary penalties laws prohibit individuals or entities from, among other things, knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;
- the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) prohibits, among other things, executing or attempting to execute a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act and their implementing regulations, also imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information, on covered healthcare providers, health plans, and healthcare clearinghouses as well as their respective business associates that perform services for them that involve the use or disclosure of individually identifiable health information; and

- the federal Physician Payments Sunshine Act requires applicable manufacturers of covered 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 annually report to CMS information regarding payments and other transfers of value to physicians, as defined by such law, and teaching hospitals, as well as information regarding ownership and investment interests held by physicians and their immediate family members. Beginning in 2022, applicable manufacturers also will be required to report such information regarding payments and transfers of value provided, as well as ownership and investment interests held, during the previous year to certain other healthcare providers, such as physician assistants and nurse practitioners. The information reported is publicly available on a searchable website, with disclosure required annually.

State and local healthcare laws and regulations may also restrict business practices in the pharmaceutical industry, such as state anti-kickback and false claims laws, which may be broader in scope than their federal counterparts and 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; state and local laws which require tracking gifts and other remuneration and items of value provided to physicians, other healthcare providers and entities or that require the registration of pharmaceutical sales representatives; and 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, significant administrative, civil and criminal penalties, damages, fines, imprisonment, 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, the curtailment or restructuring of operations, exclusion from participation in governmental healthcare programs and imprisonment.

#### **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 manufactures 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. For products administered under the supervision of a physician, obtaining coverage and adequate reimbursement may be particularly difficult because of the higher prices often associated with such drugs. Additionally, separate reimbursement for the product itself or the treatment or procedure in which the product is used may not be available, which may impact physician utilization. In addition, companion diagnostic tests require coverage and reimbursement separate and apart from the coverage and reimbursement for their companion pharmaceutical or biological products. Similar challenges to obtaining coverage and reimbursement, applicable to pharmaceutical or biological products, will apply to companion diagnostics.



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 ACA was signed into law, which substantially changed the way healthcare is financed by both governmental and private insurers in the United States. By way of example, 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, implemented a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted, or injected; expanded eligibility criteria for Medicaid programs; creates 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. Since January 2017, President Trump has signed several Executive Orders and other directives 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, several bills affecting the implementation of certain taxes under the ACA have passed. For example, in 2017, Congress enacted the Tax 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." In addition, the 2020 federal spending package permanently eliminated, effective January 1, 2020, the ACA-mandated "Cadillac" tax on high-cost employer-sponsored health coverage and medical device tax and, effective January 1, 2021, also eliminates the health insurer tax. On December 14, 2018, a Texas U.S.

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 Act, the remaining provisions of the ACA are invalid as well. On December 18, 2019, the U.S. Court of Appeals for the 5th Circuit ruled that the individual mandate was unconstitutional and remanded the case back to the District Court to determine whether the remaining provisions of the ACA are invalid as well. On March 2, 2020, the U.S. Supreme Court granted the petitions for writs of certiorari to review the case, although it is unclear when a decision will be made or how the Supreme Court will rule. In addition, there may be other efforts to challenge, repeal or replace the ACA. We are continuing to monitor any changes to the ACA that, in turn, may potentially impact our business in the future.

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 2030 absent additional congressional action, with the exception of a temporary suspension from May 1, 2020 through December 31, 2020 implemented under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which was signed into law on March 27, 2020. 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. For example, at the federal level, the Trump administration released a "Blueprint" to lower drug prices and reduce out of pocket costs of drugs that contained proposals to increase manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products and reduce the other of pocket costs of drug products paid by consumers. On March 10, 2020, the Trump administration sent "principles" for drug pricing to Congress, calling for legislation that would, among other things, cap Medicare Part D beneficiary out-of-pocket pharmacy expenses, provide an option to cap Medicare Part D beneficiary monthly out-of-pocket expenses, and place limits on pharmaceutical price increases. Additionally, the Trump administration's budget proposal for the fiscal year 2021 includes a \$135 billion allowance to support legislative proposals seeking to reduce drug prices, increase competition, lower out-of-pocket drug costs for patients, and increase patient access to lower-cost generic and biosimilar drugs. On July 24, 2020, President Trump announced four executive orders related to prescription drug pricing that attempt to implement several of the administration's proposals, including a policy that would tie Medicare Part B drug prices to international drug prices; one that directs HHS to finalize the Canadian drug importation proposed rule previously issued by the U.S. Department of Health and Human Services (HHS) and makes other changes allowing for personal importation of drugs from Canada; one that directs HHS to finalize the rulemaking process on modifying the anti-kickback law safe harbors for plans, pharmacies, and pharmaceutical benefit managers; and one that reduces costs of insulin and epipens to patients of federally qualified health centers. Although a number of these and other measures may require additional authorization to become effective, Congress and the Trump administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs. In addition, 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. Further, it is possible that additional governmental action is taken to address the COVID-19 pandemic.

#### **FDA Approval and Regulation of Companion Diagnostics**

If safe and effective use of a therapeutic depends on an *in vitro* diagnostic, then the FDA generally will require approval or clearance of that diagnostic, known as a companion diagnostic, at the same time that the FDA approves the therapeutic product. In August 2014, the FDA issued final guidance clarifying

the requirements that will apply to approval of therapeutic products and *in vitro* companion diagnostics. According to the guidance, if FDA determines that a companion diagnostic device is essential to the safe and effective use of a novel therapeutic product or indication, FDA generally will not approve the therapeutic product or new therapeutic product indication if the companion diagnostic device is not approved or cleared for that indication. Approval or clearance of the companion diagnostic device will ensure that the device has been adequately evaluated and has adequate performance characteristics in the intended population. The review of *in vitro* companion diagnostics in conjunction with the review of our therapeutic treatments for cancer will, therefore, likely involve coordination of review by the FDA's Center for Drug Evaluation and Research and the FDA's Center for Devices and Radiological Health Office of In Vitro Diagnostics and Radiological Health.

Under the FDCA, *in vitro* diagnostics, including companion diagnostics, are regulated as medical devices. In the United States, the FDCA and its implementing regulations, and other federal and state statutes and regulations govern, among other things, medical device design and development, preclinical and clinical testing, premarket clearance or approval, registration and listing, manufacturing, labeling, storage, advertising and promotion, sales and distribution, export and import, and post-market surveillance. Unless an exemption applies, diagnostic tests require marketing clearance or approval from the FDA prior to commercial distribution. The two primary types of FDA marketing authorization applicable to a medical device are premarket notification, also called 510(k) clearance, and premarket approval (PMA approval).

The PMA process, including the gathering of clinical and preclinical data and the submission to and review by the FDA, can take several years or longer. It involves a rigorous premarket review during which the applicant must prepare and provide the FDA with reasonable assurance of the device's safety and effectiveness and information about the device and its components regarding, among other things, device design, manufacturing and labeling. PMA applications are subject to an application fee. In addition, PMAs for certain devices must generally include the results from extensive preclinical and adequate and well-controlled clinical trials to establish the safety and effectiveness of the device for each indication for which FDA approval is sought. In particular, for a diagnostic, a PMA application typically requires data regarding analytical and clinical validation studies. As part of the PMA review, the FDA will typically inspect the manufacturer's facilities for compliance with the Quality System Regulation (QSR), which imposes elaborate testing, control, documentation and other quality assurance requirements.

PMA approval is not guaranteed, and the FDA may ultimately respond to a PMA submission with a not approvable determination based on deficiencies in the application and require additional clinical trial or other data that may be expensive and time-consuming to generate and that can substantially delay approval. If the FDA's evaluation of the PMA application is favorable, the FDA typically issues an approvable letter requiring the applicant's agreement to specific conditions, such as changes in labeling, or specific additional information, such as submission of final labeling, in order to secure final approval of the PMA. If the FDA's evaluation of the PMA or manufacturing facilities is not favorable, the FDA will deny approval of the PMA or issue a not approvable letter. A not approvable letter will outline the deficiencies in the application and, where practical, will identify what is necessary to make the PMA approvable. The FDA may also determine that additional clinical trials are necessary, in which case the PMA approval may be delayed for several months or years while the trials are conducted and then the data submitted in an amendment to the PMA. If the FDA concludes that the applicable criteria have been met, the FDA will issue a PMA for the approved indications, which can be more limited than those originally sought by the applicant. The PMA can include post-approval conditions that the FDA believes necessary to ensure the safety and effectiveness of the device, including, among other things, restrictions on labeling, promotion, sale and distribution. Once granted, PMA approval may be withdrawn by the FDA if compliance with post approval requirements, conditions of approval or other regulatory standards are not maintained or problems are identified following initial marketing.

After a device is placed on the market, it remains subject to significant regulatory requirements. Medical devices may be marketed only for the uses and indications for which they are cleared or approved. Device manufacturers must also establish registration and device listings with the FDA. A

medical device manufacturer's manufacturing processes and those of its suppliers are required to comply with the applicable portions of the QSR, which cover the methods and documentation of the design, testing, production, processes, controls, quality assurance, labeling, packaging and shipping of medical devices. Domestic facility records and manufacturing processes are subject to periodic unscheduled inspections by the FDA. The FDA also may inspect foreign facilities that export products to the United States.

#### **Legal Proceedings**

From time to time, we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are not currently a party to any material legal proceedings. Regardless of outcome, such proceedings or claims can have an adverse impact on us because of defense and settlement costs, diversion of resources and other factors, and there can be no assurances that favorable outcomes will be obtained.

#### **Facilities**

Our corporate headquarters are located in San Mateo, California, where we lease approximately 8,075 square feet of office space pursuant to a lease agreement which commenced on August 1, 2018 and expires on April 30, 2025. We also occupy approximately 4,860 square feet of office, research and development, engineering, and laboratory space in Cambridge, Massachusetts pursuant to a license agreement which commenced on December 1, 2018 and expires on May 31, 2021. We also lease approximately 40,510 square feet of office and laboratory space in Cambridge, Massachusetts pursuant to a lease agreement which commenced on February 28, 2020 and expires on February 28, 2031. We are in the process of building out this facility, which we anticipate completing in November 2020. We believe that our existing facilities are adequate for the foreseeable future. As we expand, we believe that suitable additional alternative spaces will be available in the future on commercially reasonable terms, if required.

#### **Employees**

As of July 15, 2020, we had 45 full-time employees. Of these employees, 29 hold Ph.D. or M.D. degrees, and 39 are engaged in research, development and technical operations. Substantially all of our employees are located in either San Mateo, California or Cambridge, Massachusetts. Our employees are not represented by labor unions or covered by collective bargaining agreements. We consider our relationship with our employees to be good.

## MANAGEMENT

The following table sets forth information regarding our executive officers and directors as of August 31, 2020:

Name	Age	Position(s)
<b>Executive Officers:</b>		
Norbert Bischofberger, Ph.D.	64	Director, President and Chief Executive Officer
Yasir Al-Wakeel, BM BCH	39	Chief Financial Officer and Head of Corporate Development
Jorge DiMartino, M.D., Ph.D.	57	Chief Medical Officer and Executive Vice President, Clinical Development
Christopher Dinsmore, Ph.D.	54	Chief Scientific Officer
Barbara Kosacz	62	Chief Operating Officer and General Counsel
Philip P. Gutry	47	Chief Business Officer
<b>Non-Employee Directors:</b>		
Arie Beldegrun, M.D., FACS	70	Chairman of the Board of Directors
Rebecka Beldegrun, M.D.	70	Director
Joshua Kazam	43	Director
Jakob Loven, Ph.D.	42	Director
John C. Martin, Ph.D.	69	Director
Elena Ridloff, CFA	40	Director
Otello Stampacchia, Ph.D.	51	Director
David Tanen	49	Director

(1) Member of our audit committee.

(2) Member of our compensation committee.

(3) Member of our nominating and corporate governance committee.

### Executive Officers

**Norbert Bischofberger, Ph.D.** has served as our President and Chief Executive Officer since August 2018, as a member of our board of directors since April 2018 and as our acting principal financial officer from July 2020 to August 2020. From August 1990 to August 2018, Dr. Bischofberger held various positions at Gilead Sciences, Inc., a biopharmaceutical company, and most recently served Gilead as Executive Vice President, Research and Development and Chief Scientific Officer. During his 28-year tenure at Gilead, he presided over the development and approval of more than 25 therapeutics products for a range of serious conditions. Prior to Gilead, Dr. Bischofberger served as a Senior Scientist in the DNA Synthesis group at Genentech, Inc., a biotechnology company, from 1986 to 1990. Dr. Bischofberger serves on the Supervisory Board of Bayer AG and board of directors of Morphic Therapeutic, a public biopharmaceutical company. Dr. Bischofberger received a Ph.D. in Organic Chemistry from the Eidgenossische Technische Hochschule in Zurich, Switzerland and an M.S. in Chemistry from the University of Innsbruck. We believe Dr. Bischofberger is qualified to serve on our board of directors due to his expertise and experience in the life sciences industry, including his work in immune-oncology, and his educational background.

**Yasir Al-Wakeel, BM BCH** has served as our Chief Financial Officer Head of Corporate Development since August 2020. Prior to joining our company, Dr. Al-Wakeel served as the Chief Financial Officer of Neon Therapeutics, Inc. from July 2017 to May 2020. Previously, Dr. Al-Wakeel served as the Chief Financial Officer and Head of Corporate Development at Merrimack Pharmaceuticals, Inc. from August 2015 until July 2017. Dr. Al-Wakeel previously served in various capacities at Credit Suisse, an investment banking firm, from 2008 to 2015. While at Credit Suisse, Dr. Al-Wakeel was Director of

Healthcare Investment Banking, focused on biotechnology, and, prior to that role, he was an Equity Research Analyst covering the biotechnology and specialty pharmaceuticals sectors. Before joining Credit Suisse, Dr. Al-Wakeel was a practicing physician, holding both clinical and academic medical posts. Dr. Al-Wakeel received his BM BCh (Doctor of Medicine and Surgery) from Oxford University and his M.A. in theology from Cambridge University.

**Jorge DiMartino, M.D., Ph.D.** has served as our Chief Medical Officer and Executive Vice President, Clinical Development since December 2019. Prior to joining us, Dr. DiMartino served as Vice President, Translational Development Oncology at Celgene Corporation, a global biopharmaceutical company acquired by Bristol-Myers Squibb Company, from July 2014 to December 2019, where he led early stage oncology clinical programs and directed the Translational Research Laboratories. During that time, he also served as the Head of Celgene's Epigenetics Thematic Center of Excellence, a fully integrated unit driving drug discovery through clinical proof of concept efforts around epigenetic targets. From April 2011 to July 2014, Dr. DiMartino served as Executive Director, Translational Development Oncology at Celgene. Prior to joining Celgene, Dr. DiMartino was Group Medical Director at Genentech in the Oncology Exploratory Clinical Development group. Dr. DiMartino received his Ph.D. in Immunology from Cornell University Graduate School of Medical Sciences, and his M.D. from University of California San Diego. He completed a residency in Pediatrics and a fellowship in Pediatric Hematology/Oncology, both at Stanford University School of Medicine where he continues to see pediatric oncology patients as a member of the Adjunct Clinical Faculty.

**Christopher Dinsmore, Ph.D.** has served as our Chief Scientific Officer since May 2020. Prior to joining us, Dr. Dinsmore served as an Entrepreneur-in-Residence at Third Rock Ventures from June 2019 to June 2020, where he focused on discovering and launching new innovative therapeutic companies. Previously, he served as Vice President and Head of Chemistry at FORMA Therapeutics, a biopharmaceutical company, from December 2013 to June 2019, where he applied an array of discovery chemistry platforms and approaches to target classes in epigenetics and protein homeostasis. Earlier, Dr. Dinsmore served at Merck Research Laboratories for 19 years, where he held various positions in medicinal chemistry. His project experiences in discovery and development have been in therapeutic categories that include cancer, hematology, sickle cell disease, asthma, and rheumatoid arthritis, leading to the advancement of numerous development compounds into clinical trials. Dr. Dinsmore also serves as a member of the Advisory Board of WARF Therapeutics. Dr. Dinsmore received his B.A. in Chemistry and Art from Bowdoin College and his Ph.D. in Synthetic Organic Chemistry from the University of Minnesota in Minneapolis, and then conducted postdoctoral research in chemical synthesis at Harvard University.

**Barbara Kosacz** has served as our Chief Operating Officer and General Counsel since July 2020. Prior to joining us, Ms. Kosacz was a Partner at Cooley LLP from January 1997 to December 2000, and again from February 2002 until July 2020, where she led the international Life Sciences Practice. Ms. Kosacz has more than 25 years of experience in counseling clients in the life sciences arena, ranging from early stage startups to larger public companies, venture funds, investment banks, and non-profit institutions. She has served as a member of the BIO Emerging Companies' Section Governing Board, is a member of the Board of Trustees of the Keck Graduate Institute, an advisory board member of Locust Walk Partners, and has been a speaker at multiple life sciences-related conferences, as well as guest lecturer at the University of California, Berkeley, and Stanford University about biotechnology law, biotech business models, corporate partnering negotiations and deal structures, and bioethics. Recognized by Best Lawyers in America since 2008 and most recently as Biotechnology Lawyer of the Year in 2018, Ms. Kosacz was listed as a "leading lawyer" for healthcare and life sciences in the 2018 Legal 500, as a "Band 1" attorney in the 2018 edition of Chambers USA: America's Leading Lawyers for Business and recognized as a "highly recommended transactions" lawyer by IAM Patent 1000 for her "nearly three decades advising diverse companies in the industry at a deeply strategic and commercial level and overseeing their most complex and profitable deals." Ms. Kosacz is currently senior counsel at Cooley LLP and a member of the board of directors of Xoma Corp., a public biotechnology company. Ms. Kosacz received her B.A. from Stanford University and her J.D. from the University of California, Berkeley School of Law.

**Philip P. Gutry** has served as our Chief Business Officer since October 2018. He previously led oncology business development and strategy serving as Executive Director, Business Development at Regeneron Pharmaceuticals, Inc., an integrated biopharmaceutical company from July 2015 through October 2018. From May 2011 to June 2015, Mr. Gutry served as Principal at MPM Capital where he led new company formation and venture investments in oncology and neuroscience, and managed MPM's pharmaceutical partnerships with Janssen and Astellas. Prior to joining MPM Capital, Mr. Gutry worked in corporate development at Gilead, where he focused on mergers and acquisitions and licensing in oncology, respiratory, liver, and infectious diseases. Mr. Gutry previously worked at Riverside Partners, LLC, a health-care focused private equity firm, where he invested in commercial-stage life science companies. He began his career with The Wilkerson Group, a healthcare focused consulting firm. Mr. Gutry has 20 years of experience in the biopharmaceutical industry in a variety of senior investment, business development, and strategic roles. Mr. Gutry currently serves on the board of Cerecor, Inc., a public biopharmaceutical company. Mr. Gutry received his A.B. in Earth Sciences from Dartmouth College and his M.B.A. in Healthcare Management from The Wharton School.

#### **Non-Employee Directors**

**Arie S. Belldgrun, M.D., FACS** is one of our founders and has served as Chairman of our board of directors since November 2017. Dr. Belldgrun is a co-founder of Allogene Therapeutics, Inc., a public biopharmaceutical company, and has served as Executive Chairman of its board of directors since November 2017. From March 2014 until October 2017, Dr. Belldgrun served as the President and Chief Executive Officer of Kite Pharma, Inc. and as a member of its board of directors from June 2009 until its acquisition by Gilead in October 2017. Dr. Belldgrun currently serves as Chairman of UroGen Pharma Ltd., a position he has held since December 2012, as Chairman and Partner of Two River Consulting, LLC, a life-science consulting and investment firm, a position he has held since June 2009, as a director of Breakthrough Properties LLC and Breakthrough Services LLC, a position he has held since April 2019, and as a director of ByHeart, Inc., a position he has held since October 2019. Dr. Belldgrun has also served as Senior Managing Director of Vida Ventures, LLC since November 2017. Dr. Belldgrun previously served as a director of Teva Pharmaceutical Industries Ltd. from March 2013 until January 2017, Chairman of Arno Therapeutics, Inc. from March 2008 until January 2017, a director of Capricor Therapeutics, Inc. from September 2009 until November 2013, and a director of SonaCare Medical, LLC from October 2009 until October 2014. In 1996, he founded Agensys, Inc., a biotechnology company, where he served as its founding Chairman from 1996 to 2001, and continued to serve on its board of directors until 2007 when it was acquired by Astellas Pharma Inc. Dr. Belldgrun was also the Founding Vice-Chairman of the board of directors and Chairman of the scientific advisory board of Cougar Biotechnology, Inc., a biotechnology company, from 2003 to 2009, when it was acquired by Johnson & Johnson. He is certified by the American Board of Urology and is a Fellow of the American College of Surgeons and the American Association of Genitourinary Surgeons. Dr. Belldgrun is Professor of Urology, holds the Roy and Carol Doumani Chair in Urologic Oncology, and Director of the Institute of Urologic Oncology at the David Geffen School of Medicine at UCLA. Prior to joining UCLA in October of 1988, he was a research fellow at NCI/NIH in surgical oncology and immunotherapy from July 1985 to August 1988 under Dr. Steven Rosenberg. Dr. Belldgrun received his M.D. from the Hebrew University Hadassah Medical School in Jerusalem before completing his post graduate studies in Immunology at the Weizmann Institute of Science and his residency in Urologic Surgery at Harvard Medical School. We believe Dr. Belldgrun is qualified to serve on our board of directors due to his experience as a senior executive and as a director of several life sciences companies, and because of his knowledge of our industry.

**Rebecka Belldgrun, M.D.** is one of our founders and has served as a member of our board of directors since May 2018. Dr. Belldgrun is President and Chief Executive Officer of Bellco Capital LLC, an investment firm she founded in 2003, that specializes in life sciences, media, and real estate. Dr. Belldgrun has extensive experience in early stage biotech investments, drug development and bringing products to market. Prior to Bellco Capital, Dr. Belldgrun founded Intertech Corporation, a New York and Los Angeles-based Real Estate company specializing in development, investments, and acquisitions.

During her role as President of Intertech, she built a portfolio of hotels and commercial properties in Europe, Scandinavia and Israel. Dr. Beldegrun is on the Board of First Media and Baby First TV. Additionally, she is on the Advisory Board for the Roy and Diana Vagelos Program in Life Sciences and Management at the University of Pennsylvania, and the Interdisciplinary Center in Herzliya, Israel and serves as a Trustee of the California Institute of Technology. Dr. Beldegrun also serves as a Trustee at the Los Angeles Museum of Art. Previously, Dr. Beldegrun served as a Member of the Board of Advisors to the RAND Corporation and the USC Center on Public Diplomacy. Dr. Beldegrun received her M.D. from Sackler School of Medicine at Tel Aviv University, and completed her residency in Ophthalmology and a postdoctoral fellowship in Corneal Surgery at the Massachusetts Eye and Ear Infirmary, Harvard Medical School. We believe Dr. Beldegrun is qualified to serve on our board of directors due to her venture capital experience in the life sciences industry.

**Joshua Kazam** is one of our founders and has served as a member of our board of directors since our inception in June 2017. Mr. Kazam is a co-founder of Allogene Therapeutics, Inc., a public biopharmaceutical company, and served as its President from November 2017 until June 2018 and currently serves on its board of directors. He was a founder of Kite Pharma and served as a member of its board of directors from its inception in June 2009 until October 2017. In June 2009, Mr. Kazam co-founded Two River Consulting, LLC, a life science consulting and investment firm. Mr. Kazam has served as a Director of Vida Ventures, LLC since November 2017. He has served on the board of Vision Path, Inc. (d/b/a Hubble Contacts) since May 2016, ByHeart, Inc. since November 2016, Breakthrough Properties LLC and Breakthrough Services LLC since April 2019, and Flying Eagle Acquisition Corp. since February 2020. Mr. Kazam has served as President and a member of the board of directors of IconOVir Bio, Inc. since its inception in August 2018. Mr. Kazam previously served as a director of Diamond Eagle Acquisition Corp. from January 2019 until April 2020, Capricor Therapeutics, Inc. from May 2005 until May 2019 and Platinum Eagle Acquisition Corp. from January 2018 to March 2019. Platinum Eagle Acquisition Corp., Diamond Eagle Acquisition Corp. and Flying Eagle Acquisition Corp. are blank check companies formed for the purpose of effecting a business combination with one or more businesses. Mr. Kazam has served as the President of Desert Flower Foundation since June 2016. Mr. Kazam received his B.A. in Entrepreneurial Management from the Wharton School of the University of Pennsylvania and is a Member of the Wharton School's Undergraduate Executive Board. We believe Mr. Kazam is qualified to serve on our board of directors due to his experience serving on the board of directors of clinical-stage life sciences companies, and because of his investment experience in the life sciences industry.

**Jakob Loven, Ph.D.** has served as a member of our board of directors since March 2018. Dr. Loven has been a Partner at Nextech Invest, an investment advisor and management company, since August 2017. Previously, he served as Senior Associate at Third Rock Ventures from March 2015 to February 2016. While at Third Rock, Dr. Loven participated in the creation of Relay Therapeutics, joining the company full time to lead strategy, business development, and operations from February 2016 to June 2017. Dr. Loven was also a Scientific Co-Founder of Syros Pharmaceuticals, Inc., a biopharmaceutical company, from April 2013 to its initial public offering in July 2016. Dr. Loven has served as a member of the board of directors of Arvinas Inc., a public biopharmaceutical company, since March 2018. Dr. Loven received his B.A. in Biomedical Sciences from the Anglia Ruskin University of Cambridge and received his Ph.D. in Medical Sciences from Karolinska Institutet. He conducted a postdoctoral fellowship at the Whitehead Institute for Biomedical Research. We believe Dr. Loven is qualified to serve on our board of directors due to his venture capital experience in the life sciences industry and his prior experience as a director for publicly traded companies.

**John C. Martin, Ph.D.** has served as a member of our board of directors since May 2018. Dr. Martin joined Gilead in 1990 and was Executive Chairman from March 2016 through March 2019. He served as Chairman and Chief Executive Officer from June 2008 through March 2016, and President and Chief Executive Officer from 1996 through May 2008. Prior to joining Gilead, Dr. Martin held several leadership positions at Bristol-Myers Squibb and Syntex Corporation. Dr. Martin currently serves on the board of directors of Sarepta Therapeutics, a public biopharmaceutical company, and The Scripps Research



Institute. Dr. Martin previously served as President of the International Society for Antiviral Research, Chairman of the Board of BayBio, and Chairman of the Board of the California Healthcare Institute (CHI). He served on the National Institute of Allergy & Infectious Diseases Council, the board of directors of the Biotechnology Industry Organization, the board of directors for CHI, the Board of Trustees of the University of Chicago, the Board of Trustees of Golden Gate University and the External Scientific Advisory Board of the University of California School of Global Health. Additionally, he served on the Centers for Disease Control/Health Resources and Services Administration's Advisory Committee on HIV and STD Prevention and Treatment and was a member of the Presidential Advisory Council on HIV/AIDS. Dr. Martin received his B.S. in Chemical Engineering from Purdue University, his Ph.D. in Organic Chemistry from the University of Chicago and his MBA from Golden Gate University. We believe Dr. Martin is qualified to serve on our board of directors due to his expertise and experience as an executive in the pharmaceutical industry and his extensive experience serving on the board of directors of several life sciences companies.

**Elena Ridloff, CFA** has served as a member of our board of directors since September 2020. Ms. Ridloff is presently the Executive Vice President, Chief Financial Officer of ACADIA Pharmaceuticals Inc. (ACADIA), a publicly traded pharmaceutical company. Ms. Ridloff was previously Senior Vice President, Investor Relations and Interim Chief Financial Officer of ACADIA and has been with ACADIA since April 2018. Before that, Ms. Ridloff held various roles at Alexion Pharmaceuticals, Inc. (Alexion), including Executive Director, Investor Relations from April 2014 to January 2016, and Vice President, Investor Relations from January 2016 to March 2018. Ms. Ridloff also served as a member of Alexion's Operating Committee. While at Alexion, Ms. Ridloff was responsible for building and leading an investor relations function. Prior to joining Alexion, Ms. Ridloff served as the Chief Executive Officer and Managing Member of BIOVISIO, an independent consulting firm providing strategic, financial and investor relations counsel to the life sciences industry, from January 2012 to April 2014. Ms. Ridloff also served as Managing Director at Maverick Capital, a hedge fund responsible for investments in the biotechnology, pharmaceutical, medical device and life science sectors, from July 2005 to January 2012. Ms. Ridloff earned her B.A. in history and sociology of science from the University of Pennsylvania, and is a Chartered Financial Analyst. We believe Ms. Ridloff is qualified to serve on our board of directors due to her financial and accounting expertise and her experience in the finance and life sciences industries.

**Otello Stampacchia, Ph.D.** has served as a member of our board of directors since May 2018. Dr. Stampacchia has served as founder and Managing Director of Omega Funds since January 2004. Previously, he was in charge of life sciences direct investments at Alpinvest Partners B.V. from November 2001 to December 2003, and he was the portfolio manager of the Lombard Odier Immunology Fund from January 2001 to November 2001. Previously, Dr. Stampacchia was a member of the healthcare corporate finance and mergers and acquisitions team at Goldman Sachs Group, Inc. from 1997 to 2000. Before joining Goldman Sachs, Dr. Stampacchia helped co-found the healthcare investment activities at Index Securities, now Index Ventures, Inc. Dr. Stampacchia is currently a member of the boards of directors of Morpnic Therapeutics, a public biotechnology company, and Replimune Group, Inc., a public biotechnology company. Dr. Stampacchia also serves on the board of directors of two private companies and previously served on the boards of Gossamer Bio, Inc. and ESSA Pharma, Inc. Dr. Stampacchia received his M.S. in Genetics from Universita' degli Studi di Pavia, his Ph.D. in Molecular Biology from the University of Geneva and a European Ph.D. in Biotechnology (EDBT) from the European Association for Higher Education in Biotechnology. We believe Dr. Stampacchia is qualified to serve on our board of directors due to his venture capital experience in the life sciences industry and his prior experience as a director of life sciences companies.

**David M. Tanen** is one of our founders and has served as a member of our board of directors and our Corporate Secretary since our inception in June 2017. In June 2009, Mr. Tanen co-founded Two River Consulting, LLC, a life science consulting and investment firm. He was a co-founder of Kite Pharma, Inc., and served as Corporate Secretary and General Counsel from its inception in June 2009 until October 2017. Mr. Tanen is a co-founder of Allogene Therapeutics, a public biopharmaceutical company, where he has served as Corporate Secretary since its inception in November 2017. He served as a member of

the board of director of Arno Therapeutics, Inc. from its inception in August 2005 until January 2017. Mr. Tanen has served as Corporate Secretary and a member of the board of directors of Neogene Therapeutics, Inc. since its inception in August 2018 and of IconOVir Bio, Inc. since its inception in August 2018. Mr. Tanen has served as an Advisor to Vida Ventures, LLC a life science investment firm, since November 2017. Mr. Tanen received his B.A. from The George Washington University and his J.D. from Fordham University School of Law, where he has served on the Dean's Planning Council since 2009 and the Entrepreneurial Law Advisory Council since 2017. We believe Mr. Tanen is qualified to serve on our board of directors due to his experience serving as an officer and a member of the board of director of clinical-stage life sciences companies, and because of his investment experience in the life sciences industry.

#### **Family Relationships and Other Arrangements**

Except for Dr. Arie Beldegrun and Dr. Rebecka Beldegrun who are married to one another, there are no family relationships among our directors and executive officers. Pursuant to our amended and restated voting agreement, which will terminate upon the closing of this offering, the following directors were designated as directors to our board of directors:

- Mr. Kazam and Dr. Rebecka Beldegrun were designated by Vida Ventures, LLC and elected by the holders of a majority of the shares of our Series A convertible preferred stock.
- Dr. Loven was designated by Nextech V Oncology S.C.S., SICAV-SIF and elected by the holders of a majority of the shares of our Series A convertible preferred stock.
- Dr. Stampacchia was designated by Omega Fund V, L.P. and elected by the holders of a majority of the shares of our Series Seed convertible preferred stock.
- Dr. Martin and Mr. Tanen were designated by the holders of a majority of shares of our common stock.
- Dr. Bischofberger and Dr. Arie Beldegrun were designated by the other members of our board of directors and elected by the holders of a majority of shares of our common stock and convertible preferred stock, voting together as a single class.

#### **Scientific Advisory Board**

We have established a scientific advisory board. We regularly seek advice and input from these experienced scientific leaders on matters related to our research and development programs. Our scientific advisory board consists of experts across a range of key disciplines relevant to our programs and science. We intend to continue to leverage the broad expertise of our advisors by seeking their counsel on important topics relating to our discovery and development programs and our preclinical or clinical product candidates. Some members of our scientific advisory board have entered into consulting agreements with us covering their respective confidentiality, non-disclosure and proprietary rights matters and own or have owned shares of our common stock or options to purchase shares of our common stock.

All of the scientific advisors are employed by or have consulting arrangements with other entities and devote only a small portion of their time to us. Our current advisors are:

Name	Titles
Owen Witte, Ph.D. (Chairman)	Chair of our scientific advisory board and University Professor at UCLA
Myles Brown, M.D.	Director of the Center for Functional Cancer Epigenetics at the Dana-Farber Cancer Institute and the Emil Frei III Professor of Medicine at Harvard Medical School
David Chang, M.D., Ph.D.	President, Chief Executive Officer and Co-Founder of Allogene Therapeutics, Inc.
Robert Eisenman, Ph.D.	Member in the Basic Sciences Division of the Fred Hutchinson Cancer Research Center and an Affiliate Professor of Biochemistry at the University of Washington School of Medicine
Angela Koehler, Ph.D.	Associate Professor in the Department of Biological Engineering at the Massachusetts Institute of Technology (MIT) and an intramural member of the David H. Koch Institute for Integrative Cancer Research at MIT
Roger D. Kornberg, Ph.D.	Winzer Professor in Medicine in the Department of Structural Biology at Stanford University

**Board Composition**

Our board of directors currently consists of nine members with no vacancies. In accordance with our amended and restated certificate of incorporation, which will be effective immediately prior to the closing 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 the directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. 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 2021;
- The Class II directors will be \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_, and their terms will expire at the annual meeting of stockholders to be held in 2022; and
- The Class III directors will be \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_, and their terms will expire at the annual meeting of stockholders to be held in 2023.

We expect that 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.

Under the Nasdaq Stock Market LLC (Nasdaq), Marketplace Rules (the Nasdaq Listing Rules), independent directors must comprise a majority of our board of directors as a public company within one year of listing.

Our board of directors has undertaken a review of its composition, the composition of its committees and the independence of each director. Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our board of directors has determined that all of our directors other than Dr. Bischofberger, Mr. Kazam and Mr. Tanen are independent directors, as defined by Rule 5605(a)(2) of the Nasdaq Listing Rules.

## Board Committees

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee. Our board of directors may establish other committees to facilitate the management of our business. The composition and functions of each committee are described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors. Each committee intends to adopt a written charter that satisfies the applicable rules and regulations of the SEC and Nasdaq Listing Rules, which we will post on our website at [www.kronosbio.com](http://www.kronosbio.com) upon the closing of this offering.

### Audit Committee

Our audit committee consists of \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_. Our board of directors has determined that each of the members of our audit committee satisfies the Nasdaq Stock Market and SEC independence requirements. \_\_\_\_\_ serves as the chair of our audit committee. The functions of this committee include, among other things:

- evaluating the performance, independence and qualifications of our independent auditors and determining whether to retain our existing independent auditors or engage new independent auditors;
- reviewing and approving the engagement of our independent auditors to perform audit services and any permissible non-audit services;
- monitoring the rotation of partners of our independent auditors on our engagement team as required by law;
- prior to engagement of any independent auditor, and at least annually thereafter, reviewing relationships that may reasonably be thought to bear on their independence, and assessing and otherwise taking the appropriate action to oversee the independence of our independent auditor;
- reviewing our annual and quarterly financial statements and reports, including the disclosures contained under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations," and discussing the statements and reports with our independent auditors and management;
- reviewing, with our independent auditors and management, significant issues that arise regarding accounting principles and financial statement presentation and matters concerning the scope, adequacy and effectiveness of our financial controls;
- reviewing with management and our independent auditors any earnings announcements and other public announcements regarding material developments;
- establishing procedures for the receipt, retention and treatment of complaints received by us regarding financial controls, accounting or auditing matters and other matters;
- preparing the report that the SEC requires in our annual proxy statement;
- reviewing and providing oversight of any related-person transactions in accordance with our related person transaction policy and reviewing and monitoring compliance with legal and regulatory responsibilities, including our code of business conduct and ethics;
- reviewing our major financial risk exposures, including the guidelines and policies to govern the process by which risk assessment and risk management are implemented;
- reviewing on a periodic basis our investment policy; and

- reviewing and evaluating on an annual basis the performance of the audit committee and the audit committee charter.

Our board of directors has determined that [redacted] qualifies as an audit committee financial expert within the meaning of SEC regulations and meets the financial sophistication requirements of the Nasdaq Listing Rules. In making this determination, our board has considered [redacted]'s prior experience, business acumen and independence. Both our independent registered public accounting firm and management periodically meet privately with our audit committee.

We believe that the composition and functioning of our audit committee complies with all applicable requirements of the Sarbanes-Oxley Act, and all applicable SEC and Nasdaq rules and regulations. We intend to comply with future requirements to the extent they become applicable to us.

**Compensation Committee**

Our compensation committee consists of [redacted], [redacted] and [redacted]. [redacted] serves as the chair of our compensation committee. Our board of directors has determined that each of the members of our compensation committee satisfies the Nasdaq Stock Market independence requirements. The functions of this committee include, among other things:

- reviewing, modifying and approving (or if it deems appropriate, making recommendations to the full board of directors regarding) our overall compensation strategy and policies;
- reviewing and approving (or if it deems appropriate, making recommendations to the full board of directors regarding) the compensation and other terms of employment of our executive officers;
- reviewing and approving (or if it deems it appropriate, making recommendations to the full board of directors regarding) performance goals and objectives relevant to the compensation of our executive officers and assessing their performance against these goals and objectives;
- reviewing and approving (or if it deems it appropriate, making recommendations to the full board of directors regarding) the equity incentive plans, compensation plans and similar programs advisable for us, as well as modifying, amending or terminating existing plans and programs;
- evaluating risks associated with our compensation policies and practices and assessing whether risks arising from our compensation policies and practices for our employees are reasonably likely to have a material adverse effect on us;
- reviewing and making recommendations to the full board of directors regarding the type and amount of compensation to be paid or awarded to our non-employee board members;
- establishing policies with respect to votes by our stockholders to approve executive compensation as required by Section 14A of the Exchange Act and determining our recommendations regarding the frequency of advisory votes on executive compensation, to the extent required by law;
- reviewing and assessing the independence of compensation consultants, legal counsel and other advisors as required by Section 10C of the Exchange Act;
- administering our equity incentive plans;
- establishing policies with respect to equity compensation arrangements;
- reviewing the competitiveness of our executive compensation programs and evaluating the effectiveness of our compensation policy and strategy in achieving expected benefits to us;

- reviewing and making recommendations to the full board of directors regarding the terms of any employment agreements, severance arrangements, change in control protections and any other compensatory arrangements for our executive officers;
- reviewing with management and approving our disclosures under the caption "Compensation Discussion and Analysis" in our periodic reports or proxy statements to be filed with the SEC, to the extent such caption is included in any such report or proxy statement;
- preparing the report that the SEC requires in our annual proxy statement (if applicable); and
- reviewing and assessing on an annual basis the performance of the compensation committee and the compensation committee charter.

We believe that the composition and functioning of our compensation committee complies with all applicable requirements of the Sarbanes-Oxley Act, and all applicable SEC and Nasdaq rules and regulations. We intend to comply with future requirements to the extent they become applicable to us.

***Nominating and Corporate Governance Committee***

Our nominating and corporate governance committee consists of \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_. Our board of directors has determined that each of the members of this committee satisfies the Nasdaq Stock Market independence requirements. \_\_\_\_\_ serves as the chair of our nominating and corporate governance committee. The functions of this committee include, among other things:

- identifying, reviewing and evaluating candidates to serve on our board of directors consistent with criteria approved by our board of directors;
- determining the minimum qualifications for service on our board of directors;
- evaluating director performance on the board and applicable committees of the board and determining whether continued service on our board is appropriate;
- evaluating, nominating and recommending individuals for membership on our board of directors;
- evaluating nominations by stockholders of candidates for election to our board of directors;
- considering and assessing the independence of members of our board of directors;
- developing a set of corporate governance policies and principles, including a code of business conduct and ethics, periodically reviewing and assessing these policies and principles and their application and recommending to our board of directors any changes to such policies and principles;
- considering questions of possible conflicts of interest of directors as such questions arise; and
- reviewing and assessing on an annual basis the performance of the nominating and corporate governance committee and the nominating and corporate governance committee charter.

We believe that the composition and functioning of our nominating and corporate governance committee complies with all applicable requirements of the Sarbanes-Oxley Act, and all applicable SEC and Nasdaq rules and regulations. We intend to comply with future requirements to the extent they become applicable to us.

***Compensation Committee Interlocks and Insider Participation***

None of the members of the compensation committee is currently, or has been at any time, one of our executive officers or employees. None of our executive officers currently serves, or has served during the

last year, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or on our compensation committee.

#### **Code of Business Conduct and Ethics**

In connection with this offering, we intend to adopt a written code of business conduct and ethics that applies to all of our directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer or controller, or persons performing similar functions, and agents and representatives. The full text of our code of business conduct and ethics will be posted on our website at [www.kronosbio.com](http://www.kronosbio.com) upon the closing of this offering. The nominating and corporate governance committee of our board of directors will be responsible for overseeing our code of business conduct and ethics and any waivers applicable to any director, executive officer or employee. We intend to disclose future amendments to certain provisions of our code of business conduct and ethics, or waivers of such provisions applicable to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, and agents and representatives, on our website identified above.

#### **Limitation on Liability and Indemnification Matters**

Our amended and restated certificate of incorporation, which will become effective immediately prior to the closing of this offering, and our amended and restated bylaws, which will become effective upon the closing of this offering, limits our directors' liability, and may indemnify our directors and officers to the fullest extent permitted under Delaware General Corporation Law (DGCL). The DGCL provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except for liability for any:

- transaction from which the director derives an improper personal benefit;
- act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or redemption of shares; or
- breach of a director's duty of loyalty to the corporation or its stockholders.

These limitations of liability do not apply to liabilities arising under federal securities laws and do not affect the availability of equitable remedies such as injunctive relief or rescission.

The DGCL and our amended and restated bylaws provide that we will, in certain situations, indemnify our directors and officers and may indemnify other employees and other agents, to the fullest extent permitted by law. Any indemnified person is also entitled, subject to certain limitations, to advancement, direct payment or reimbursement of reasonable expenses (including attorneys' fees and disbursements) in advance of the final disposition of the proceeding.

In addition, we have entered, and intend to continue to enter, into separate indemnification agreements with some of our directors and officers. These indemnification agreements, among other things, require us to indemnify our directors and officers for certain expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director or officer in any action or proceeding arising out of their services as a director or officer, or any other company or enterprise to which the person provides services at our request.

We maintain a directors' and officers' insurance policy pursuant to which our directors and officers are insured against liability for actions taken in their capacities as directors and officers. We believe that these provisions in our amended and restated certificate of incorporation and amended and restated bylaws and these indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (Securities Act), may be permitted to directors, officers or control persons, in the opinion of the SEC, such indemnification is against public policy, as expressed in the Securities Act and is therefore unenforceable.



## EXECUTIVE AND DIRECTOR COMPENSATION

### Executive Compensation

Our named executive officers for the year ended December 31, 2019, consisting of our current principal executive officer and our two other most highly compensated executive officers, were:

- Norbert Bischofberger, Ph.D., our President and Chief Executive Officer;
- Jorge DiMartino, M.D., Ph.D., our Chief Medical Officer and Executive Vice President, Clinical Development; and
- Philip Gutry, our Chief Business Officer.

### Summary Compensation Table

The following table sets forth all of the compensation awarded to, earned by or paid to our named executive officers during 2019.

Name and	Year	Salary	Bonus <sup>(1)</sup> (\$)	Option Awards <sup>(2)</sup> (\$)	Total
Norbert Bischofberger, Ph.D., <i>President and Chief Executive Officer</i>	2019	200,000	80,000	—	280,000
Jorge DiMartino, M.D., Ph.D., <i>Chief Medical Officer and Executive Vice President, Clinical Development</i>	2019	32,291 <sup>(3)</sup>	10,776	599,473	642,540
Philip Gutry, <i>Chief Business Officer</i>	2019	300,000	105,000	—	405,000

(1) Amounts shown in this column represent discretionary cash bonuses awarded for performance for the year ended December 31, 2019, and were paid in January 2020. See the subsection titled “—Bonus Compensation” below.

(2) Amounts shown in this column do not reflect dollar amounts actually received by our named executive officers. Instead, these amounts reflect the aggregate grant date fair value of each stock option granted computed in accordance with the provisions of FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note 10 to our financial statements included in this prospectus. As required by SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. Our named executive officers may realize value from their stock options only to the extent the value of our common stock is greater than the exercise price of such stock options. Dr. DiMartino is the only named executive officer who received a stock option grant during the fiscal year ended December 31, 2019.

(3) Dr. DiMartino joined us as our Chief Medical Officer in December 2019 at an annual salary of \$387,500. Amount shown represents the salary actually earned by Dr. DiMartino during 2019 from and after his December 2, 2019 start date.

### Annual Base Salary

The annual base salaries of our named executive officers are generally reviewed, determined and approved by our board of directors periodically in order to compensate our named executive officers for the satisfactory performance of duties to our company. Annual base salaries are intended to provide a fixed component of compensation to our named executive officers, reflecting their skill sets, experience, roles and responsibilities. Annual base salaries for our named executive officers have generally been set at levels deemed necessary to attract and retain individuals with superior talent.

The 2019 annual base salaries for our named executive officers are set forth in the table below.

Name	2019 Base Salary (\$)
Norbert Bischofberger, Ph.D.	200,000
Jorge DiMartino, M.D., Ph.D.	387,500
Philip Gutry	300,000

#### **Bonus Compensation**

From time to time, our board of directors or compensation committee, in its discretion, may approve bonuses for our executive officers based on individual performance, company performance or as otherwise determined to be appropriate. Discretionary cash bonuses for performance for 2019 were paid in January 2020.

#### **Equity-Based Incentive Awards**

Our equity-based incentive awards are designed to align our interests and those of our stockholders with those of our employees and consultants, including our executive officers. Our board of directors or an authorized committee thereof is responsible for approving equity grants.

Historically, we have generally used stock options as an incentive for long-term compensation to our executive officers because stock options allow our executive officers to profit from this form of equity compensation only if our stock price increases relative to the stock option's exercise price, which exercise price is set at the fair market value of our common stock on the date of grant. Certain stock options that we have granted to our executive officers permit "early exercise," whereby the executive officer can purchase shares subject to the stock option prior to vesting, subject to our right of repurchase, lapsing in accordance with the vesting schedule of the stock option.

We may grant equity awards at such times as our board of directors determines appropriate. Our executives generally are awarded an initial grant in the form of a stock option in connection with their commencement of employment with us. Additional grants may occur periodically in order to specifically incentivize executives with respect to achieving certain corporate goals or to reward executives for exceptional performance.

Prior to this offering, we have granted all stock options pursuant to our Prior Plan. Following this offering, we will grant equity incentive awards under the terms of our 2020 Plan. The terms of our equity plans are described below under the subsection titled "—Equity Benefit Plans."

All stock options are granted with an exercise price per share that is no less than the fair market value of our common stock on the date of grant of such award. Our stock option awards generally vest over a four-year period and may be subject to acceleration of vesting and exercisability under certain termination and change in control events, as described in more detail under the subsections titled "—Potential Payments and Benefits upon Termination or Change in Control" and "—Equity Benefit Plans."

#### **Employment Agreements with Named Executive Officers and our Chief Financial Officer**

We have entered into a letter agreement with each of our named executive officers and our chief financial officer. The agreements generally provide for at-will employment and set forth the executive officer's initial base salary, annual performance bonus opportunity, initial equity grant amount and eligibility for employee benefits. In addition, each of our named executive officers and our chief financial officer has executed a form of our standard proprietary information and invention assignment agreement. The key terms of the letter agreements are described below.

*Norbert Bischofberger, Ph.D.* We entered into a letter agreement with Dr. Bischofberger, our President and Chief Executive Officer, in May 2018 that governs the current terms of his employment with

us. Pursuant to the agreement, Dr. Bischofberger received an initial annual base salary of \$200,000, which was increased to \$450,000 in March 2020 for 2020 and 2021, is eligible to receive an annual target performance bonus of up to 40% of his annual base salary, as determined by our board of directors, and is eligible for severance benefits upon an involuntary termination of his employment with us, as described in more detail below under the subsection titled "—Potential Payments and Benefits upon Termination or Change in Control." Fifty percent of Dr. Bischofberger's annual base salary and annual performance bonus for the 24 month period commencing on March 17, 2020 was paid to him in March 2020 in the form of options to purchase shares of our common stock in lieu of cash, as described in more detail below under the subsection titled "—2020 Named Executive Officer Equity Awards."

In connection with the commencement of his employment with us, and pursuant to the terms of his letter agreement, our board of directors granted Dr. Bischofberger an option (Initial Option) to purchase 1,001,000 shares of our common stock at a per share exercise price equal to \$0.10 on May 1, 2018. The Initial Option vested as to 25% of the shares subject to the Initial Option on April 30, 2019, and thereafter the remaining shares subject to the Initial Option vest in 36 equal monthly installments as of the last calendar day of each month beginning on May 31, 2019, subject to Dr. Bischofberger's continuous service to us through each applicable vesting date.

In addition, Dr. Bischofberger's letter agreement provides that if we license or otherwise acquire rights to commercially research and develop intellectual property covering a product or product candidate that was identified to us by Dr. Bischofberger (Identified Product Target), then, following the closing of the acquisition of such rights by us, Dr. Bischofberger will be granted an option (Incentive Option) to purchase a number of shares of our common stock equal to, as applicable, (i) 225,855 shares of our common stock where such Identified Product Target is being or has been investigated in a Phase 1 clinical trial but has not been investigated in a Phase 2 clinical trial or (ii) 451,709 shares of our common stock where such Identified Product Target is being or has been investigated in a Phase 2 clinical trial.

Pursuant to the terms of Dr. Bischofberger's letter agreement, the exercise price of any Incentive Option will be equal to the fair market value per share of our common stock as of the grant date. In addition, any Incentive Option will vest and become exercisable in 36 equal monthly installments as of the last calendar day of each month following the grant date, subject to Dr. Bischofberger's continuous service to us through each applicable vesting date.

In July 2020, we acquired a portfolio of selective, orally bioavailable small molecule SYK inhibitors from Gilead, including ENTO and LANRA, pursuant to the Gilead Asset Purchase Agreement. Dr. Bischofberger identified the SYK portfolio that we acquired from Gilead. As a result, in accordance with the terms of his letter agreement, in July 2020, our board of directors granted Dr. Bischofberger an Incentive Option (SYK Incentive Option) to purchase 451,709 shares of our common stock at a per share exercise price equal to \$4.37.

Dr. Bischofberger's letter agreement provides that the Initial Option and any Incentive Option will permit early exercise, whereby Dr. Bischofberger may purchase the shares subject to the option prior to vesting, subject to our right to repurchase such shares upon his termination of continuous service at a per share price equal to the lesser of the per share exercise price of the option or the fair market value of a share of our common stock on the repurchase date, with our repurchase right lapsing over time in accordance with the vesting schedule of the option. Dr. Bischofberger early exercised the Initial Option in full in May 2018 and early exercised the SYK Incentive Option in full in July 2020.

*Jorge DiMartino, M.D., Ph.D.* We entered into a letter agreement with Dr. DiMartino, our Chief Medical Officer and Executive Vice President, Clinical Development, in September 2019 that governs the current terms of his employment with us. Pursuant to the agreement, Dr. DiMartino receives an annual base salary of \$387,500, is eligible to receive an annual target performance bonus of up to 35% of his annual base salary, as determined by our board of directors, and is eligible for severance benefits upon an involuntary termination of his employment with us, as described in more detail below under the subsection titled "—Potential Payments and Benefits upon Termination or Change in Control."

In connection with the commencement of his employment with us, and pursuant to the terms of his letter agreement, our board of directors granted Dr. DiMartino an option to purchase 360,000 shares of our common stock at a per share exercise price equal to \$2.67 on December 2, 2019. The option will vest as to 25% of the shares subject to the option on December 2, 2020, and thereafter the remaining shares subject to the option vest in 36 equal monthly installments commencing on January 2, 2021, subject to Dr. DiMartino's continuous service to us through each applicable vesting date. The option permits early exercise, whereby Dr. DiMartino may purchase the shares subject to the option prior to vesting, subject to our right to repurchase such shares upon his termination of continuous service at a per share price equal to the lesser of the per share exercise price of the option or the fair market value of a share of our common stock on the repurchase date, with our repurchase right lapsing over time in accordance with the vesting schedule of the option.

*Philip Gutry.* We entered into a letter agreement with Mr. Gutry, our Chief Business Officer, in September 2018 that governs the current terms of his employment with us. Pursuant to the agreement, Mr. Gutry received an initial annual base salary of \$300,000, which was increased to \$309,000 in January 2020, is eligible to receive an annual target performance bonus of up to 35% of his annual base salary, as determined by our board of directors, and is eligible for severance benefits upon an involuntary termination of his employment with us, as described in more detail below under the subsection titled "—Potential Payments and Benefits upon Termination or Change in Control."

In connection with the commencement of his employment with us, and pursuant to the terms of his letter agreement, our board of directors granted Mr. Gutry an option to purchase 214,605 shares of our common stock at a per share exercise price equal to \$0.80 on October 8, 2018. The option vested as to 25% of the shares subject to the option on October 8, 2019, and thereafter the remaining shares subject to the option vest in 36 equal monthly installments as of the last calendar day of each month beginning on October 8, 2019, subject to Mr. Gutry's continuous service to us through each applicable vesting date. The option permits early exercise, whereby Mr. Gutry may purchase the shares subject to the option prior to vesting, subject to our right to repurchase such shares upon his termination of continuous service at a per share price equal to the lesser of the per share exercise price of the option or the fair market value of a share of our common stock on the repurchase date, with our repurchase right lapsing over time in accordance with the vesting schedule of the option.

*Yasir Al-Wakeel, BM BCh.* We entered into a letter agreement with Dr. Al-Wakeel, our Chief Financial Officer and Head of Corporate Development and Strategy, in August 2020 that governs the current terms of his employment with us. Pursuant to the agreement, Dr. Al-Wakeel receives an annual base salary of \$370,000, is eligible to receive an annual target performance bonus of up to 35% of his annual base salary (on a prorated basis for 2020), and is eligible for severance benefits upon an involuntary termination of his employment with us, as described in more detail below under the subsection titled "—Potential Payments and Benefits upon Termination or Change in Control."

Pursuant to the agreement, we paid Dr. Al-Wakeel a \$100,000 sign-on bonus in August 2020. In addition, we agreed to reimburse Dr. Al-Wakeel for all direct and properly substantiated out-of-pocket expenses incurred by him in relocating to the greater San Mateo, California area, where our headquarters are located. We have also agreed to reimburse Dr. Al-Wakeel for up to \$75,000 of rental costs incurred by him following his permanent relocation to the greater San Mateo, California area, subject to proper substantiation of such expenses. However, if Dr. Al-Wakeel's employment with us is terminated within two years of August 17, 2020 (his start date with us), by him other than for good reason or by us for cause (as such terms are defined below under the subsection titled "—Potential Payments and Benefits upon Termination or Change in Control"), he will be required to immediately repay the sign-on bonus and any relocation or rental expense reimbursements that he has received pursuant to the reimbursement provisions described above.

We also agreed to pay Dr. Al-Wakeel an additional payment if he receives reimbursements for relocation or rental expenses that is intended to make such reimbursements tax neutral for Dr. Al-Wakeel.

For clarity, any such additional payment is not subject to repayment if Dr. Al-Wakeel has a termination of employment described in the foregoing paragraph.

In connection with the commencement of his employment with us, and pursuant to the terms of his letter agreement, our board of directors granted Dr. Al-Wakeel an option to purchase 450,000 shares of our common stock at a per share exercise price equal to \$7.92 on August 17, 2020. The option will vest as to 25% of the shares subject to the option on August 17, 2021, and thereafter the remaining shares subject to the option vest in 36 equal monthly installments on the last calendar day of each month beginning on September 30, 2021, subject to Dr. Al-Wakeel's continuous service with us through each applicable vesting date. The option permits early exercise, whereby Dr. Al-Wakeel may purchase the shares subject to the option prior to vesting, subject to our right to repurchase such shares upon his termination of continuous service at a per share price equal to the per share exercise price of the option, with our repurchase right lapsing over time in accordance with the vesting schedule of the option.

#### Outstanding Equity Awards at December 31, 2019

The following table presents information regarding outstanding equity awards held by our named executive officers as of December 31, 2019.

Name	Grant Date	Vesting	Option Awards <sup>(1)</sup>		Option		Stock Awards <sup>(2)</sup>		Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(5)</sup>
			Number of Securities Underlying Unexercised Options Exercisable (#) <sup>(2)</sup>	Number of Securities Underlying Unexercised Options Unexercisable (#) <sup>(3)</sup>	Option	Option	Number of		
Norbert Bischofberger, Ph.D.	5/1/2018	—	—	—	—	—	583,917 <sup>(4)</sup>	1,559,058	
Jorge DiMartino, M.D., Ph.D.	12/2/2019	12/2/2019	—	360,000 <sup>(6)</sup>	2.67	12/2/2029	—	—	
Philip Gutry	10/8/2018	10/8/2018	4,471	147,541 <sup>(7)</sup>	0.80	10/8/2028	—	—	

(1) All of these equity awards were granted under our Prior Plan, the terms of which are described below under the subsection titled "—Equity Benefit Plans—2017 Equity Incentive Plan."

(2) Because all options disclosed in this table are exercisable immediately subject to a repurchase right in favor of us which lapses as the option vests, this column reflects the number of shares subject to options held by our named executive officers that were exercisable and vested as of December 31, 2019.

(3) Because all options disclosed in this table are exercisable immediately subject to a repurchase right in favor of us which lapses as the option vests, this column reflects the number of shares subject to options held by our named executive officers that were exercisable and unvested as of December 31, 2019.

(4) The shares were acquired pursuant to the exercise of unvested shares subject to Dr. Bischofberger's Initial Option and are subject to our right of repurchase upon Dr. Bischofberger's termination of service, as described in more detail above under the subsection titled "—Employment Agreements with Named Executive Officers." The shares will be released from our repurchase right in 28 equal monthly installments as of the last day of each month beginning on January 31, 2020, subject to continuous service with us as of each such date. The restricted shares are subject to vesting acceleration, as described in more detail below under the subsection titled "—Potential Payments and Benefits upon Termination or Change in Control."

(5) This column represents the fair market value of a share of our common stock of \$2.67 as of December 31, 2019 (the determination of the fair market value by our board of directors as of the most proximate date) multiplied by the amount shown in the column "Stock Awards—Number of Shares or Units of Stock That Have Not Vested."

(6) Twenty-five percent of the shares subject to the option vest on the first anniversary of the vesting commencement date, and thereafter the remaining shares subject to the option vest in 36 equal monthly installments on each monthly anniversary thereafter, subject to continuous service with us as of each such vesting date. The option is subject to vesting acceleration, as described in more detail below under the subsection titled "—Potential Payments and Benefits upon Termination or Change in Control."

(7) Twenty-five percent of the shares subject to the option vested on the first anniversary of the vesting commencement date, and thereafter the remaining shares subject to the option vest in 36 equal monthly installments as of the last day of each month beginning on October 8, 2019, subject to continuous service with us as of each such vesting date. The option is subject to vesting acceleration, as described in more detail below under the subsection titled "—Potential Payments and Benefits upon Termination or Change in Control."

### **2020 Named Executive Officer Equity Awards**

On March 17, 2020, our board of directors, upon the recommendation of our compensation committee, granted Dr. Bischofberger a one-time stock option (Retention Option) to purchase 321,916 shares of our common stock at a per share exercise price of \$2.67 to provide him additional incentives to remain with us and to promote further alignment between his interests and those of our stockholders. The Retention Option vests as to 25% of the shares subject to the Retention Option on March 17, 2021, and thereafter the remaining shares subject to the Retention Option vest in 36 equal monthly installments as of the closing of the last business day of each calendar month, subject to Dr. Bischofberger's continuous service to us through each applicable vesting date.

In addition, on March 17, 2020, our board of directors granted Dr. Bischofberger (i) a stock option (Base Salary Option) to purchase 168,539 shares of our common stock and (ii) a stock option (Bonus Option), to purchase 67,416 shares of our common stock, in lieu of cash payment for 50% of his annual base salary and 50% of his annual performance bonus for the 24 month period commencing on March 17, 2020. The per share exercise price of each of the Base Salary Option and the Bonus Option is equal to \$2.67. The Base Salary Option vests in 24 monthly installments as of the closing of the last business day of each calendar month following the grant date, subject to Dr. Bischofberger's continuous service to us through each applicable vesting date. The Bonus Option vests as to 50% of the shares subject to the Bonus Option on each anniversary of the grant date, subject to Dr. Bischofberger's continuous services to us through each applicable vesting date.

Each of the Retention Option, the Base Salary Option, and the Bonus Option permit early exercise, whereby Dr. Bischofberger can purchase shares subject to the option prior to vesting, subject to our right to repurchase such shares upon his termination of his continuous service at a per share price equal to the lesser of the per share exercise price of the option or the fair market value of a share of our common stock on the repurchase date, with our repurchase right lapsing over time in accordance with the vesting schedule of the option. Dr. Bischofberger early exercised the Retention Option, the Base Salary Option, and the Bonus Option in full on June 15, 2020.

On July 10, 2020, we granted Dr. Bischofberger the SYK Incentive Option, which he early exercised on July 27, 2020, as described in more detail above under the subsection titled "—Employment Agreements with Named Executive Officers."

### **Potential Payments and Benefits Upon Termination or Change in Control**

Regardless of the manner in which an executive officer's service terminates, each executive officer is entitled to receive amounts earned during his or her term of service, including unpaid salary and unused vacation.

#### *Severance Benefits*

Pursuant to the letter agreements we have entered into with our named executive officers and Dr. Al-Wakeel, if an executive officer's employment with us is terminated by us without cause (as defined below) or by the executive officer for good reason (as defined below), the executive officer will receive the following severance payments and benefits if he timely executes and does not revoke a release of claims in our favor: (i) continued payments of base salary (at the rate in effect at the time of termination but without regard to any reduction in base salary that served as the basis for resigning for good reason) for approximately 6 months following the date of termination; (ii) payment of premiums for COBRA continuation coverage for the executive and his dependents, less the amount payable by an active employee for such coverage, for up to approximately 6 months; and (iii) in the case of Drs. Bischofberger, DiMartino, and Al-Wakeel only, 100% accelerated vesting and exercisability of outstanding equity awards.

For purposes of the letter agreements, the following definitions are used:

- "good reason" means (i) any material diminution by us of the executive's title (for Dr. Bischofberger, including Dr. Bischofberger ceasing to have the title of President and Chief Executive Officer), duties, authority or base salary (for Drs. Bischofberger, DiMartino and Al-Wakeel, including any requirement that the executive report to any person(s) other than our board of directors (or our chief executive officer in the case of Dr. Al-Wakeel)); (ii) a material breach by us of any of the provisions contained in the executive's letter agreement, which, if capable of being cured, is not cured by us within 30 days after written notice thereof by the executive to us; or (iii) other than in the case of Dr. Al-Wakeel, relocation of the executive's principal place of employment more than 50 miles without the executive's consent.
- For Drs. Bischofberger, DiMartino and Al-Wakeel, "cause" has the same meaning as such term has for purposes of our Prior Plan. The cause definition for our Prior Plan is described below under the subsection titled "—Equity Benefit Plans—2017 Equity Incentive Plan."
- For Mr. Gutry, "cause" means (i) his willful failure to adequately perform the material duties or obligations under his letter agreement, or his willful misconduct in respect of such duties or obligations, including, his willful failure, disregard or refusal to abide by specific objective and lawful directions received in writing from our Chief Executive Officer; (ii) any willful, intentional or grossly negligent act by him in the performance of his duties having the reasonably foreseeable effect of actually and substantially injuring, whether financial or otherwise, the business reputation of us; (iii) his indictment of any felony; (iv) his being convicted of a misdemeanor involving moral turpitude that causes, or could reasonably be expected to cause, substantial harm to us or our reputation; (v) the determination by us, after a reasonable and good-faith investigation following a written allegation by another employee of ours, that he engaged in some form of harassment prohibited by law, except cause will not exist unless we give him written notice where such notice describes with particularity the alleged act(s) at issue and has given him an opportunity to be heard at a meeting with our senior management, including our Chief Executive Officer, with or without counsel, and we provide him with a summary of our findings; (vi) any misappropriation or embezzlement of our property or our affiliates (whether or not a misdemeanor or felony) by him; or (vii) a material breach by him of the representations and warranties set forth in his letter agreement or his proprietary information and invention assignment agreement.

*Accelerated Vesting of Philip Gutry's New Hire Option*

In connection with the commencement of his employment with us, Mr. Gutry received an option to purchase 214,605 shares of our common stock, as described in more detail above under the subsection titled "—Employment Agreements with Named Executive Officers." Pursuant to Mr. Gutry's letter agreement and the option agreement that evidences the option, if we terminate Mr. Gutry's employment without cause (as defined above) or Mr. Gutry terminates his employment with us for good reason (as defined above), in either case at any time during the period beginning on the date that is 90 days prior to, and ending on the date that is 12 months following, a change of control (as defined below under the subsection titled "—Equity Benefit Plans—2017 Equity Incentive Plan"), then all of the then-unvested shares subject to the option (or any unvested shares acquired through the early exercise of the option) will immediately become fully vested.

***Perquisites, Health, Welfare and Retirement Benefits***

Our executive officers, during their employment with us, are eligible to participate in our employee benefit plans, including our medical, dental, group term life, disability and accidental death and dismemberment insurance plans, in each case on the same basis as all of our other employees. In addition, we provide a 401(k) plan to our employees, including our executive officers, as discussed in the subsection below titled "—401(k) Plan."

We generally do not provide perquisites or personal benefits to our executive officers, except in limited circumstances. We do, however, pay the premiums for medical, dental, group term life, disability and accidental death and dismemberment insurance for all of our employees. Our board of directors may elect to adopt qualified or nonqualified benefit plans in the future if it determines that doing so is in our best interests.

#### **401(k) Plan**

We maintain a defined contribution retirement plan (401(k) plan) for the benefit of our employees, including our named executive officers, who satisfy certain eligibility requirements. Our 401(k) plan provides eligible employees with an opportunity to save for retirement on a tax advantaged basis. Under our 401(k) plan, eligible employees may defer their eligible compensation on a pre-tax or after-tax (Roth) basis up to the statutorily prescribed annual limits on contributions under the Code. Contributions are allocated to each participant's individual account and are then invested in selected investment alternatives according to the participants' directions. In 2020, we began make matching contributions into the 401(k) plan on behalf of participants equal to 100% of participant contributions up to 4% of their compensation in order to attract and retain employees with superior talent. Participants are immediately and fully vested on all contributions. The 401(k) plan is intended to be qualified under Section 401(a) of the Code, and the 401(k) plan's related trust is intended to be tax exempt under Section 501(a) of the Code. As a tax-qualified retirement plan, pre-tax contributions to the 401(k) plan and earnings on those pre-tax contributions are not taxable to the employees until distributed from the 401(k) plan, and earnings on Roth contributions are not taxable when distributed from the 401(k) plan.

#### **Nonqualified Deferred Compensation**

We do not maintain nonqualified defined contribution plans or other nonqualified deferred compensation plans. Our board of directors may elect to provide our officers and other employees with nonqualified defined contribution or other nonqualified deferred compensation benefits in the future if it determines that doing so is in our best interests.

#### **Equity Benefit Plans**

##### *2020 Equity Incentive Plan*

Prior to the completion of this offering, we expect that our board of directors will adopt, and our stockholders will approve, our 2020 Plan. We expect our 2020 Plan will become effective on the date of the underwriting agreement related to this offering. Our 2020 Plan will come into existence upon its adoption by our board of directors, but no grants will be made under our 2020 Plan prior to its effectiveness. Once our 2020 Plan becomes effective, no further grants will be made under our Prior Plan.

**Awards.** Our 2020 Plan will provide for the grant of incentive stock options (ISOs) within the meaning of Section 422 of the Code, to our employees and our parent and subsidiary corporations' employees, and for the grant of nonstatutory stock options (NSOs), stock appreciation rights, restricted stock awards, restricted stock unit awards, performance awards and other forms of awards to our employees, directors and consultants and any of our affiliates' employees and consultants.

**Authorized Shares.** Initially, the maximum number of shares of our common stock that may be issued under our 2020 Plan after it becomes effective will not exceed \_\_\_\_\_ shares of our common stock, which is the sum of (i) \_\_\_\_\_ new shares, plus (ii) an additional number of shares not to exceed \_\_\_\_\_ shares, consisting of (a) shares that remain available for the issuance of awards under our Prior Plan as of immediately prior to the time our 2020 Plan becomes effective and (b) any shares of our common stock subject to outstanding stock options or other stock awards granted under our Prior Plan that, on or after our 2020 Plan becomes effective, terminate or expire prior to exercise or settlement; are not issued because the award is settled in cash; are forfeited because of the failure to vest; or are reacquired or withheld (or not issued) to satisfy a tax withholding obligation or the purchase or exercise price. In



addition, the number of shares of our common stock reserved for issuance under our 2020 Plan will automatically increase on \_\_\_\_\_ of each year for a period of ten years, beginning on \_\_\_\_\_, 2021 and continuing through \_\_\_\_\_, 2030, in an amount equal to (1) \_\_\_\_\_ % of the total number of shares of our common stock outstanding on \_\_\_\_\_ of the immediately preceding year, or (2) a lesser number of shares determined by our board of directors no later than \_\_\_\_\_ of the immediately preceding year. The maximum number of shares of our common stock that may be issued on the exercise of ISOs under our 2020 Plan will be \_\_\_\_\_ shares.

Shares subject to stock awards granted under our 2020 Plan that expire or terminate without being exercised in full or that are paid out in cash rather than in shares will not reduce the number of shares available for issuance under our 2020 Plan. Shares withheld under a stock award to satisfy the exercise, strike or purchase price of a stock award or to satisfy a tax withholding obligation will not reduce the number of shares available for issuance under our 2020 Plan. If any shares of our common stock issued pursuant to a stock award are forfeited back to or repurchased or reacquired by us (i) because of a failure to meet a contingency or condition required for the vesting of such shares; (ii) to satisfy the exercise, strike or purchase price of a stock award; or (iii) to satisfy a tax withholding obligation in connection with a stock award, the shares that are forfeited or repurchased or reacquired will revert to and again become available for issuance under our 2020 Plan.

*Plan Administration.* Our board of directors, or a duly authorized committee of our board of directors, will administer our 2020 Plan. Our board of directors may delegate to one or more of our officers the authority to (i) designate employees (other than officers) to receive specified stock awards; and (ii) determine the number of shares subject to such stock awards. Under our 2020 Plan, our board of directors will have the authority to determine stock award recipients, the types of stock awards to be granted, grant dates, the number of shares subject to each stock award, the fair market value of our common stock, and the provisions of each stock award, including the period of exercisability and the vesting schedule applicable to a stock award.

Under our 2020 Plan, our board of directors also generally will have the authority to effect, with the consent of any materially adversely affected participant, (i) the reduction of the exercise, purchase, or strike price of any outstanding option or stock appreciation right; (ii) the cancellation of any outstanding option or stock appreciation right and the grant in substitution therefore of other awards, cash, or other consideration; or (iii) any other action that is treated as a repricing under generally accepted accounting principles.

*Stock Options.* ISOs and NSOs are granted under stock option agreements adopted by the administrator. The administrator will determine the exercise price for stock options, within the terms and conditions of our 2020 Plan, except the exercise price of a stock option generally will not be less than 100% of the fair market value of our common stock on the date of grant. Options granted under our 2020 Plan will vest at the rate specified in the stock option agreement as will be determined by the administrator.

The administrator will determine the term of stock options granted under our 2020 Plan, up to a maximum of 10 years. Unless the terms of an optionholder's stock option agreement, or other written agreement between us and the optionholder, provide otherwise, if an optionholder's service relationship with us or any of our affiliates ceases for any reason other than disability, death, or cause, the optionholder may generally exercise any vested options for a period of three months following the cessation of service. This period may be extended in the event that exercise of the option is prohibited by applicable securities laws. If an optionholder's service relationship with us or any of our affiliates ceases due to death, or an optionholder dies within a certain period following cessation of service, the optionholder or a beneficiary may generally exercise any vested options for a period of 18 months following the date of death. If an optionholder's service relationship with us or any of our affiliates ceases due to disability, the optionholder may generally exercise any vested options for a period of 12 months following the cessation of service. In the event of a termination for cause, options generally terminate upon the termination date. In no event may an option be exercised beyond the expiration of its term.

Acceptable consideration for the purchase of common stock issued upon the exercise of a stock option will be determined by the administrator and may include (i) cash, check, bank draft or money order; (ii) a broker-assisted cashless exercise; (iii) the tender of shares of our common stock previously owned by the optionholder; (iv) a net exercise of the option if it is an NSO; or (v) other legal consideration approved by the administrator.

Unless the administrator provides otherwise, options or stock appreciation rights generally are not transferable except by will or the laws of descent and distribution. Subject to approval of the administrator or a duly authorized officer, an option may be transferred pursuant to a domestic relations order, official marital settlement agreement, or other divorce or separation instrument.

*Tax Limitations on ISOs.* The aggregate fair market value, determined at the time of grant, of our common stock with respect to ISOs that are exercisable for the first time by an award holder during any calendar year under all of our stock plans may not exceed \$100,000. Options or portions thereof that exceed such limit will generally be treated as NSOs. No ISO may be granted to any person who, at the time of the grant, owns or is deemed to own stock possessing more than 10% of our total combined voting power or that of any of our parent or subsidiary corporations unless (i) the option exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant; and (ii) the term of the ISO does not exceed five years from the date of grant.

*Restricted Stock Unit Awards.* Restricted stock unit awards are granted under restricted stock unit award agreements adopted by the administrator. Restricted stock unit awards may be granted in consideration for any form of legal consideration that may be acceptable to our board of directors and permissible under applicable law. A restricted stock unit award may be settled by cash, delivery of stock, a combination of cash and stock as deemed appropriate by the administrator, or in any other form of consideration set forth in the restricted stock unit award agreement. Additionally, dividend equivalents may be credited in respect of shares covered by a restricted stock unit award. Except as otherwise provided in the applicable award agreement, or other written agreement between us and the recipient, restricted stock unit awards that have not vested will be forfeited once the participant's continuous service ends for any reason.

*Restricted Stock Awards.* Restricted stock awards are granted under restricted stock award agreements adopted by the administrator. A restricted stock award may be awarded in consideration for cash, check, bank draft or money order, past or future services to us, or any other form of legal consideration that may be acceptable to our board of directors and permissible under applicable law. The administrator will determine the terms and conditions of restricted stock awards, including vesting and forfeiture terms. If a participant's service relationship with us ends for any reason, we may receive any or all of the shares of common stock held by the participant that have not vested as of the date the participant terminates service with us through a forfeiture condition or a repurchase right.

*Stock Appreciation Rights.* Stock appreciation rights are granted under stock appreciation right agreements adopted by the administrator. The administrator will determine the purchase price or strike price for a stock appreciation right, which generally will not be less than 100% of the fair market value of our common stock on the date of grant. A stock appreciation right granted under our 2020 Plan will vest at the rate specified in the stock appreciation right agreement as will be determined by the administrator. Stock appreciation rights may be settled in cash or shares of our common stock or in any other form of payment as determined by our board of directors and specified in the stock appreciation right agreement.

The administrator will determine the term of stock appreciation rights granted under our 2020 Plan, up to a maximum of 10 years. If a participant's service relationship with us or any of our affiliates ceases for any reason other than cause, disability, or death, the participant may generally exercise any vested stock appreciation right for a period of three months following the cessation of service. This period may be further extended in the event that exercise of the stock appreciation right following such a termination of service is prohibited by applicable securities laws. If a participant's service relationship with us, or any of our affiliates, ceases due to disability or death, or a participant dies within a certain period following

cessation of service, the participant or a beneficiary may generally exercise any vested stock appreciation right for a period of 12 months in the event of disability and 18 months in the event of death. In the event of a termination for cause, stock appreciation rights generally terminate upon the termination date. In no event may a stock appreciation right be exercised beyond the expiration of its term.

*Performance Awards.* Our 2020 Plan will permit the grant of performance awards that may be settled in stock, cash or other property. Performance awards may be structured so that the stock or cash will be issued or paid only following the achievement of certain pre-established performance goals during a designated performance period. Performance awards that are settled in cash or other property are not required to be valued in whole or in part by reference to, or otherwise based on, our common stock.

The performance goals may be based on any measure of performance selected by our board of directors. The performance goals may be based on company-wide performance or performance of one or more business units, divisions, affiliates, or business segments, and may be either absolute or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise by our board of directors at the time the performance award is granted, our board will appropriately make adjustments in the method of calculating the attainment of performance goals as follows: (i) to exclude restructuring and/or other nonrecurring charges; (ii) to exclude exchange rate effects; (iii) to exclude the effects of changes to generally accepted accounting principles; (iv) to exclude the effects of any statutory adjustments to corporate tax rates; (v) to exclude the effects of items that are "unusual" in nature or occur "infrequently" as determined under generally accepted accounting principles; (vi) to exclude the dilutive effects of acquisitions or joint ventures; (vii) to assume that any business divested by us achieved performance objectives at targeted levels during the balance of a performance period following such divestiture; (viii) to exclude the effect of any change in the outstanding shares of our common stock by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (ix) to exclude the effects of stock based compensation and the award of bonuses under our bonus plans; (x) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; and (xi) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles.

*Other Stock Awards.* The administrator will be permitted to grant other awards based in whole or in part by reference to our common stock. The administrator will set the number of shares under the stock award (or cash equivalent) and all other terms and conditions of such awards.

*Non-Employee Director Compensation Limit.* The aggregate value of all compensation granted or paid to any non-employee director with respect to any calendar year, including awards granted and cash fees paid by us to such non-employee director, will not exceed \$            in total value, except such amount will increase to \$            for the first year for newly appointed or elected non-employee directors.

*Changes to Capital Structure.* In the event there is a specified type of change in our capital structure, such as a stock split, reverse stock split, or recapitalization, appropriate adjustments will be made to (i) the class and maximum number of shares reserved for issuance under our 2020 Plan, (ii) the class and maximum number of shares by which the share reserve may increase automatically each year, (iii) the class and maximum number of shares that may be issued on the exercise of ISOs, and (iv) the class and number of shares and exercise price, strike price, or purchase price, if applicable, of all outstanding stock awards.

*Corporate Transactions.* In the event of a corporate transaction (as defined below), unless otherwise provided in a participant's stock award agreement or other written agreement with us or one of our affiliates or unless otherwise expressly provided by the administrator at the time of grant, any stock awards outstanding under our 2020 Plan may be assumed, continued or substituted for by any surviving or acquiring corporation (or its parent company), and any reacquisition or repurchase rights held by us

with respect to the stock award may be assigned to the successor (or its parent company). If the surviving or acquiring corporation (or its parent company) does not assume, continue or substitute for such stock awards, then (i) with respect to any such stock awards that are held by participants whose continuous service has not terminated prior to the effective time of the corporate transaction, or current participants, the vesting (and exercisability, if applicable) of such stock awards will be accelerated in full (or, in the case of performance awards with multiple vesting levels depending on the level of performance, vesting will accelerate at 100% of the target level) to a date prior to the effective time of the corporate transaction (contingent upon the effectiveness of the corporate transaction), and such stock awards will terminate if not exercised (if applicable) at or prior to the effective time of the corporate transaction, and any reacquisition or repurchase rights held by us with respect to such stock awards will lapse (contingent upon the effectiveness of the corporate transaction); and (ii) any such stock awards that are held by persons other than current participants will terminate if not exercised (if applicable) prior to the effective time of the corporate transaction, except that any reacquisition or repurchase rights held by us with respect to such stock awards will not terminate and may continue to be exercised notwithstanding the corporate transaction.

In the event a stock award will terminate if not exercised prior to the effective time of a corporate transaction, the administrator may provide, in its sole discretion, that the holder of such stock award may not exercise such stock award but instead will receive a payment equal in value to the excess (if any) of (i) the value of the property the participant would have received upon the exercise of the stock award, over (ii) any per share exercise price payable by such holder, if applicable. In addition, any escrow, holdback, earn out or similar provisions in the definitive agreement for the corporate transaction may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of our common stock.

Under our 2020 Plan, a corporate transaction is generally the consummation of (i) a sale or other disposition of all or substantially all of our consolidated assets; (ii) a sale or other disposition of at least 50% of our outstanding securities; (iii) a merger, consolidation or similar transaction following which we are not the surviving corporation; or (iv) a merger, consolidation or similar transaction following which we are the surviving corporation but the shares of our common stock outstanding immediately prior to such transaction are converted or exchanged into other property by virtue of the transaction.

*Change in Control.* Stock awards granted under our 2020 Plan may be subject to acceleration of vesting and exercisability upon or after a change in control (as defined below) as may be provided in the applicable stock award agreement or in any other written agreement between us or any affiliate and the participant, but in the absence of such provision, no such acceleration will automatically occur.

Under our 2020 Plan, a change in control is generally (i) the acquisition by any person or company of more than 50% of the combined voting power of our then outstanding stock; (ii) a merger, consolidation or similar transaction in which our stockholders immediately before the transaction do not own, directly or indirectly, more than 50% of the combined voting power of the surviving entity (or the parent of the surviving entity) in substantially the same proportions as their ownership immediately prior to such transaction; (iii) stockholder approval of a complete dissolution or liquidation; (iv) a sale, lease, exclusive license or other disposition of all or substantially all of our assets other than to an entity more than 50% of the combined voting power of which is owned by our stockholders in substantially the same proportions as their ownership of our outstanding voting securities immediately prior to such transaction; or (v) when a majority of our board of directors becomes comprised of individuals who were not serving on our board of directors on the date of the underwriting agreement related to this offering, or the incumbent board, or whose nomination, appointment, or election was not approved by a majority of the incumbent board still in office.

*Plan Amendment or Termination.* Our board of directors has the authority to amend, suspend, or terminate our 2020 Plan at any time, provided that such action does not materially impair the existing rights of any participant without such participant's written consent. Certain material amendments also require the approval of our stockholders. No ISOs may be granted after the tenth anniversary of the date

our board of directors adopts our 2020 Plan. No stock awards may be granted under our 2020 Plan while it is suspended or after it is terminated.

#### *2017 Equity Incentive Plan*

Our board of directors adopted our Prior Plan on June 5, 2017, and our stockholders approved our Prior Plan on May 22, 2018. Our Prior Plan was most recently amended on March 17, 2020. As noted above, we will not grant any additional awards under our Prior Plan after our 2020 Plan becomes effective. However, our Prior Plan will continue to govern the terms and conditions of the outstanding awards granted under our Prior Plan.

Our Prior Plan allows for the grant of ISOs, NSOs, stock appreciation rights, restricted stock awards, restricted stock unit awards, and performance awards (each, an award) to eligible employees, officers, directors, consultants, and advisors.

*Authorized Shares.* As of June 30, 2020, an aggregate of 6,000,000 shares of our common stock were reserved for issuance under our Prior Plan. As of June 30, 2020, there were stock options to purchase 2,119,880 shares of our common stock and 1,196,024 restricted shares of common stock (which were acquired through the exercise of unvested shares subject to stock options) outstanding under our Prior Plan.

*Plan Administration.* Our board of directors or a committee thereof appointed by our board of directors administers our Prior Plan. The administrator has the full power and authority to administer our Prior Plan and make all determinations necessary and advisable for the administration of our Prior Plan, including the authority to interpret the terms of our Prior Plan and the awards granted under it, determine the terms of awards, including the recipients, the number of shares subject to each award and the vesting schedule. The administrator may, with the consent of any adversely affected participants, reduce the exercise or purchase price of outstanding awards, or cancel outstanding awards and substitute them with new awards of the same or different type, cash awards and/or awards of other consideration, with any such substitute awards covering the same or a different number of shares as the cancelled awards (as applicable) and granted under our Prior Plan or another equity plan of ours.

*Stock Options.* Stock options have been granted under our Prior Plan. The term of an option is determined by the administrator, but may not exceed 10 years from the grant date. The administrator will determine the exercise price of options, which generally may not be less than 100% of the fair market value of our common stock on the grant date. The administrator will also determine the method of payment of the exercise price as well as the period of time after a participant's termination of service during which the participant may exercise his or her option (generally, 90 days, or 180 days in the event of the participant's termination of service due to death or disability, following the participant's termination of service). If a participant's continuous service terminates due to cause (as defined below), his or her options (including any vested options) will generally terminate on the date on which the event giving rise to the termination for cause first occurred. In no event will an option remain exercisable beyond its original term. If a participant does not exercise his or her option within the time specified in the award agreement, the option will terminate.

The administrator may grant options that can be exercised before the shares subject to the option have vested. If a participant exercises unvested shares subject to an option, the participant will receive unvested (i.e., restricted) shares subject to a right of repurchase in favor of us that will lapse over the original vesting schedule for the option while the participant remains in continuous service. Should the participant's continuous service terminate, we may exercise our repurchase right and reacquire each remaining "unvested" share, if any, at a per share price generally equal to the lesser of the per share exercise price or the fair market value of the unvested share on the repurchase date.

For purposes of our Prior Plan, "cause" means, with respect to a participant, the occurrence of any of the following events: (i) the participant's commission of any crime involving fraud, dishonesty or moral turpitude; (ii) the participant's attempted commission of or participation in a fraud or act of dishonesty

against us that results in (or might have reasonably resulted in) material harm to our business; (iii) the participant's intentional, material violation of any contract or agreement between the participant and us or any statutory duty that the participant owes to us; or (iv) the participant's conduct that constitutes gross insubordination, incompetence or habitual neglect of duties and that results in (or might have reasonably resulted in) material harm to our business, except the action or conduct described in clauses (iii) and (iv) above will constitute "cause" only if such action or conduct continues after we have provided the participant with written notice thereof and 30 days to cure the same.

*Transferability of Awards.* Our Prior Plan generally does not allow for the transfer of awards except by will or the laws of descent and distribution, and only the recipient of an award may exercise an option or stock appreciation right during his or her lifetime.

*Certain Adjustments.* In the event of certain changes in our capitalization, our board of directors may adjust the number and class of shares reserved for issuance under our Prior Plan, and the number, class and price of shares covered by each outstanding award. The administrator's determination regarding such adjustments will be final, binding and conclusive.

*Change of Control.* Our Prior Plan provides that in the event of a change of control (as defined below) and except as otherwise provided in the award agreements, the administrator may provide that each outstanding award may be (i) accelerated as to vesting and exercisability (if applicable); (ii) cancelled to the extent not exercised prior to a date specified by the administrator; (iii) converted into the right to receive with respect to each share subject to the award, a cash amount (or our shares or shares of the succeeding corporation) equal to the fair market value of a share of our common stock on the date immediately preceding the change of control (net of the per share exercise price in the case of options); or (iv) assumed or continued. The administrator need not take the same action with respect to all awards or with respect to all participants.

Under our Prior Plan, a change of control is generally (i) the acquisition by any person, entity or group of more than 50% of the combined voting power of our then outstanding stock; (ii) a merger, consolidation or similar transaction in which our stockholders immediately before the transaction do not own, directly or indirectly, more than 50% of the combined voting power of the surviving entity (or the parent of the surviving entity) in substantially the same proportions as their ownership immediately prior to such transaction; (iii) a sale, lease, exclusive license or other disposition of all or substantially all of our assets other than to an entity more than 50% of the combined voting power of which is owned by our stockholders in substantially the same proportions as their ownership of our outstanding voting securities immediately prior to such transaction; or (iv) when individuals who, at the beginning of any consecutive twelve-month period, are members of our board of directors, or the existing board, cease for any reason to constitute at least a majority of the members of our board of directors at any time during that consecutive twelve-month period, except if the appointment or election (or nomination for election) of any new member of our board of directors was approved or recommended by a majority vote of the members of the existing board then still in office or our stockholders at the beginning of such twelve-month period, such new member will be considered as a member of the existing board.

*Amendment and Termination.* Our board of directors has the authority to amend, suspend or terminate our Prior Plan at any time. No amendment, suspension or termination of our Prior Plan will impair the rights of a participant, unless mutually agreed otherwise between the participant and the administrator in writing. As noted above, it is expected that prior to the completion of this offering, our Prior Plan will be terminated, and we will not grant any additional awards under our Prior Plan thereafter.

#### *2020 Employee Stock Purchase Plan*

Prior to the completion of this offering, our board of directors intends to adopt, and we expect our stockholders will approve, our ESPP. Our ESPP will become effective immediately prior to and contingent upon the date of the underwriting agreement related to this offering. The purpose of our ESPP will be to secure the services of new employees, to retain the services of existing employees, and to provide

incentives for such individuals to exert maximum efforts toward our success and that of our affiliates. Our ESPP will include two components. One component will be designed to allow eligible U.S. employees to purchase our common stock in a manner that may qualify for favorable tax treatment under Section 423 of the Code. The other component will permit the grant of purchase rights that do not qualify for such favorable tax treatment in order to allow deviations necessary to permit participation by eligible employees who are foreign nationals or employed outside of the U.S. while complying with applicable foreign laws.

*Share Reserve.* Following this offering, our ESPP will authorize the issuance of \_\_\_\_\_ shares of our common stock under purchase rights granted to our employees or to employees of any of our designated affiliates. The number of shares of our common stock reserved for issuance will automatically increase on \_\_\_\_\_ of each year for a period of ten years, beginning on \_\_\_\_\_, 2021 and continuing through \_\_\_\_\_, 2030, by the lesser of (i) \_\_\_\_\_ % of the total number of shares of our common stock outstanding on \_\_\_\_\_ of the immediately preceding year; and (ii) \_\_\_\_\_ shares, except before the date of any such increase, our board of directors may determine that such increase will be less than the amount set forth in clauses (i) and (ii).

*Administration.* Our board of directors will administer our ESPP and may delegate its authority to administer our ESPP to our compensation committee. Our ESPP will be implemented through a series of offerings under which eligible employees are granted purchase rights to purchase shares of our common stock on specified dates during such offerings. Under our ESPP, our board of directors will be permitted to specify offerings with durations of not more than 27 months and to specify shorter purchase periods within each offering. Each offering will have one or more purchase dates on which shares of our common stock will be purchased for employees participating in the offering. Our ESPP will provide that an offering may be terminated under certain circumstances.

*Payroll Deductions.* Generally, all regular employees, including executive officers, employed by us or by any of our designated affiliates, will be eligible to participate in our ESPP and to contribute, normally through payroll deductions, up to \_\_\_\_\_ % of their earnings (as defined in our ESPP) for the purchase of our common stock under our ESPP. Unless otherwise determined by our board of directors, common stock will be purchased for the accounts of employees participating in our ESPP at a price per share that is at least equal to the lesser of (i) 85% of the fair market value of a share of our common stock on the first day of an offering; or (ii) 85% of the fair market value of a share of our common stock on the date of purchase.

*Limitations.* Employees may have to satisfy one or more of the following service requirements before participating in our ESPP, as determined by our board of directors: (i) being customarily employed for more than 20 hours per week; (ii) being customarily employed for more than five months per calendar year; or (iii) continuous employment with us or one of our affiliates for a period of time (not to exceed two years). No employee will be permitted to purchase shares under our ESPP at a rate in excess of \$25,000 worth of our common stock (based on the fair market value per share of our common stock at the beginning of an offering) for each calendar year such a purchase right is outstanding. Finally, no employee will be eligible for the grant of any purchase rights under our ESPP if immediately after such rights are granted, such employee has voting power over 5% or more of our outstanding capital stock measured by vote or value under Section 424(d) of the Code.

*Changes to Capital Structure.* Our ESPP will provide that in the event there occurs a change in our capital structure through such actions as a stock split, merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, liquidating dividend, combination of shares, exchange of shares, change in corporate structure, or similar transaction, our board of directors will make appropriate adjustments to: (i) the class(es) and maximum number of shares reserved under our ESPP; (ii) the class(es) and maximum number of shares by which the share reserve may increase automatically each year; (iii) the class(es) and number of shares subject to, and purchase price applicable to, outstanding offerings and purchase rights; and (iv) the class(es) and number of shares that are subject to purchase limits under ongoing offerings.

*Corporate Transactions.* Our ESPP will provide that in the event of a corporate transaction (as defined below), any then-outstanding rights to purchase our stock under our ESPP may be assumed, continued, or substituted for by any surviving or acquiring entity (or its parent company). If the surviving or acquiring entity (or its parent company) elects not to assume, continue, or substitute for such purchase rights, then the participants' accumulated payroll contributions will be used to purchase shares of our common stock within 10 business days before such corporate transaction, and such purchase rights will terminate immediately after such purchase.

Under our ESPP, a corporate transaction is generally the consummation of (i) a sale or other disposition of all or substantially all of our consolidated assets; (ii) a sale or other disposition of at least 50% of our outstanding securities; (iii) a merger, consolidation or similar transaction following which we are not the surviving corporation; or (iv) a merger, consolidation or similar transaction following which we are the surviving corporation but the shares of our common stock outstanding immediately prior to such transaction are converted or exchanged into other property by virtue of the transaction.

*Amendment or Termination.* Our board of directors will have the authority to amend or terminate our ESPP, except in certain circumstances such amendment or termination may not materially impair any outstanding purchase rights without the holder's consent. We will obtain stockholder approval of any amendment to our ESPP as required by applicable law or listing requirements.

#### **Director Compensation**

Except as indicated below, we have historically not paid cash, equity or other compensation to any of our directors who are also our employees for service on our board of directors, nor have we paid cash or equity compensation to our non-employee directors, and no such compensation was paid to any of our directors in the year ended December 31, 2019. We have reimbursed, and will continue to reimburse, all of our directors for their travel, lodging and other reasonable expenses incurred in attending meetings of our board of directors and committees of our board of directors.

David Tanen, a member of our board of directors, currently serves as our Corporate Secretary. On July 10, 2020, our board of directors granted Mr. Tanen an option to purchase 100,000 shares of our common stock at a per share exercise price equal to \$4.37 as compensation for services he provides to us as our Corporate Secretary. The option will vest as to 25% of the shares subject to the option on June 22, 2021, and thereafter the remaining shares subject to the option vest in 36 substantially equal monthly installments as of the 10<sup>th</sup> day of each month commencing on July 10, 2021, subject to Mr. Tanen's continuous service through each applicable vesting date. For clarity, the option will continue to vest as long as Mr. Tanen continues to provide services to us. If Mr. Tanen's continuous service is terminated by us without cause (as defined above under the subsection titled "—Equity Benefit Plans—2017 Equity Incentive Plan") within the period beginning 90 days prior to, and ending 12 months following, a change of control (as defined above under the subsection titled "—Equity Benefit Plans—2017 Equity Incentive Plan"), then all of the then-unvested shares subject to the option will become fully vested and exercisable. The option also contains an early exercise provision, whereby Mr. Tanen can purchase shares subject to the option prior to vesting, subject to our right of repurchase, lapsing in accordance with the vesting schedule of the option.

Prior to the completion of this offering, we expect to implement an annual cash and equity compensation program for our non-employee directors.



## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following includes a summary of transactions since June 2, 2017 (our date of inception) and any currently proposed transactions, to which we were or are to be a participant, in which (i) the amount involved exceeded or will exceed \$120,000; and (ii) any of our directors, executive officers or holders of more than 5% of our capital stock, or any affiliate or member of the immediate family of the foregoing persons, had or will have a direct or indirect material interest, other than compensation and other arrangements that are described under the section of this prospectus titled "Executive and Director Compensation."

### Financings

#### **Convertible Promissory Note Financing**

From October 2017 through April 2018, we issued convertible promissory notes in the aggregate principal amount of approximately \$6.4 million with an annual interest rate of 5% per annum in multiple closings, pursuant to note purchase agreements, as amended, with various investors.

The table below sets forth the principal amount of convertible promissory notes purchased by our executive officers, directors, holders of more than 5% of our capital stock and their affiliated entities or immediate family members. All of the outstanding convertible promissory notes were converted into our Series Seed convertible preferred stock in May 2018 in connection with our Series Seed convertible preferred stock financing.

Name	Principal Amount of Notes
<b>Executive Officers and Directors:</b>	
Joshua A. Kazam <sup>(1)</sup>	1,000,000
David M. Tanen <sup>(2)</sup>	1,000,000
<b>Greater than 5% stockholders:</b>	
Omega Fund V, L.P. <sup>(3)</sup>	2,000,000
Gregory F. Kiernan and affiliated entities <sup>(4)</sup>	1,000,000

(1) Includes (i) \$500,000.00 of our convertible promissory notes held by Mr. Kazam; and (ii) \$500,000.00 of our convertible promissory notes held by the Joshua Kazam Irrevocable Grantor Trust, of which Mr. Kazam is a beneficiary.

(2) Includes (i) \$500,000.00 of our convertible promissory notes held by Mr. Tanen; and (ii) \$500,000.00 of our convertible promissory notes held by the David Tanen Revocable Grantor Trust, of which Mr. Tanen is a beneficiary.

(3) Omega Fund V GP Manager, Ltd. (Omega Manager) is the sole general partner of Omega Fund V GP, LP which is the sole general partner of Omega Fund V, L.P (Omega). Dr. Stampacchia, a member of our board of directors, is one of three Directors of Omega Manager.

(4) Includes (i) \$700,000.00 of our convertible promissory notes held by Mr. Kiernan; (ii) \$150,000.00 of our convertible promissory notes held by Sonostar Ventures, LLC (Sonostar), of which Mr. Kiernan is President; and (iii) \$150,000.00 of our convertible promissory notes held by the Kiernan Family Trust, of which Mr. Kiernan's children are beneficiaries.

#### **Series Seed Convertible Preferred Stock Financing**

In May 2018, we entered into a Series Seed preferred stock purchase agreement with various investors, pursuant to which we issued an aggregate of 7,806,977 shares of our Series Seed convertible preferred stock at a price per share of \$2.30769 for gross proceeds of \$18.0 million, which included the conversion of the convertible promissory notes issued in the note financing described above.

The table below sets forth the number of shares of our Series Seed convertible preferred stock purchased by our executive officers, directors, holders of more than 5% of our capital stock and their affiliated entities or immediate family members. Each share of Series Seed convertible preferred stock in the table below will convert into one share of our common stock upon the closing of this offering.

Name	Series Seed Convertible Preferred Stock	Aggregate Purchase Price
<b>Executive Officers and Directors:</b>		
Norbert Bischofberger, Ph.D. <sup>(1)</sup>	1,000,000	2,307,690
John C. Martin, Ph.D.	866,667	1,999,999
Arie S. Belldegrin, M.D. <sup>(2)</sup>	1,278,332	2,949,994
Rebecka Belldegrin, M.D. <sup>(3)</sup>	1,278,332	2,949,994
Joshua A. Kazam <sup>(4)</sup>	440,434	1,016,385
David M. Tanen <sup>(5)</sup>	440,719	1,017,043
<b>Greater than 5% stockholders:</b>		
Omega Fund V, L.P. <sup>(6)</sup>	1,522,484	3,513,421
Norbert W. & Inger A. Bischofberger Revocable Inter Vivos Trust, dtd August 29, 1994 <sup>(7)</sup>	300,000	692,307
Vida Ventures, LLC <sup>(8)</sup>	650,000	1,499,999
Gregory F. Kiernan and affiliated entities <sup>(9)</sup>	439,801	1,014,924

- (1) Includes (i) 250,000 shares of our Series Seed convertible preferred stock held by The Irene Alisha Bischofberger Dynasty GST Exempt Trust dated April 29, 2020; (ii) 250,000 shares of our Series Seed convertible preferred stock held by The Irene Alisha Bischofberger Dynasty GST Non-Exempt Trust dated April 29, 2020; (iii) 250,000 shares of our Series Seed convertible preferred stock held by The David Michael Anthony Bischofberger Dynasty GST Exempt Trust dated April 29, 2020; and (iv) 250,000 shares of our Series Seed convertible preferred stock held by The David Michael Anthony Bischofberger Dynasty GST Non-Exempt Trust dated April 29, 2020, for each of which Dr. Bischofberger's children are beneficiaries.
- (2) Includes (i) 173,333 shares of our Series Seed convertible preferred stock held by Belco Capital, LLC (Belco), of which Dr. Arie Belldegrin is the President; (ii) 520,000 shares of our Series Seed convertible preferred stock held by Vecchia Partners, Ltd. (Vecchia), a company for which his wife, Dr. Rebecka Belldegrin, serves as President; (iii) 216,666 shares of our Series Seed convertible preferred stock held by the Seaview Trust, of which Dr. Belldegrin is a beneficiary; (iv) 65,000 shares of our Series Seed convertible preferred stock held by the Daniel-BCT trust, of which Daniel Belldegrin, who is Dr. Belldegrin's son, is a beneficiary; (v) 65,000 shares of our Series Seed convertible preferred stock held by the Mia-BCT trust, of which Mia Belldegrin, who is Dr. Belldegrin's daughter, is a beneficiary; (vi) 65,000 shares of our Series Seed convertible preferred stock held by the Ron-BCT trust, of which Ron Belldegrin, who is Dr. Belldegrin's son, is a beneficiary; (vii) 65,000 shares of our Series Seed convertible preferred stock held by Adrenalin Properties Ltd., of which Benjamin Belldegrin, who is Dr. Belldegrin's son, owns 100% of the equity; and (viii) 108,333 shares of our Series Seed convertible preferred stock held by Novatrast Limited, as Trustees of the Tampere Trust, of which Dr. Belldegrin is a beneficiary.
- (3) Includes (i) 173,333 shares of our Series Seed convertible preferred stock held by Belco, of which Dr. Rebecka Belldegrin's husband, Dr. Arie Belldegrin, is the President; (ii) 520,000 shares of our Series Seed convertible preferred stock held by Vecchia, a company for which Dr. Rebecka Belldegrin serves as President; (iii) 216,666 shares of our Series Seed convertible preferred stock held by the Seaview Trust, of which Dr. Belldegrin is a beneficiary; (iv) 65,000 shares of our Series Seed convertible preferred stock held by the Daniel-BCT trust, of which Daniel Belldegrin, who is Dr. Belldegrin's son, is a beneficiary; (v) 65,000 shares of our Series Seed convertible preferred stock held by the Mia-BCT trust, of which Mia Belldegrin, who is Dr. Belldegrin's daughter, is a beneficiary; (vi) 65,000 shares of our Series Seed convertible preferred stock held by the Ron-BCT trust, of which Ron Belldegrin, who is Dr. Belldegrin's son, is a beneficiary; (vii) 65,000 shares of our Series Seed convertible preferred stock held by Adrenalin Properties Ltd., of which Benjamin Belldegrin, who is Dr. Belldegrin's son, owns 100% of the equity; and (viii) 108,333 shares of our Series Seed convertible preferred stock held by Novatrast Limited, as Trustees of the Tampere Trust, of which Dr. Belldegrin is a beneficiary.

- (4) Includes (i) 22,328 shares of our Series Seed convertible preferred stock held by Mr. Kazam; and 418,106 shares of our Series Seed convertible preferred stock held by the Joshua Kazam Irrevocable Grantor Trust, of which Mr. Kazam is a beneficiary.
- (5) Includes (i) 219,482 shares of our Series Seed convertible preferred stock held by Mr. Tanen; and (ii) 221,237 shares of our Series Seed convertible preferred stock held by the David Tanen Revocable Grantor Trust, of which Mr. Tanen is a beneficiary.
- (6) Omega Manager is the sole general partner of Omega Fund V GP, LP, which is the sole general partner of Omega. Dr. Stampacchia is one of three Directors of Omega Manager.
- (7) Dr. Bischofberger is a beneficiary of the Norbert W. & Inger A. Bischofberger Revocable Inter Vivos Trust, dtd August 29, 1994.
- (8) Dr. Arie Beldegrun is a Senior Managing Director of Vida Ventures, LLC (Vida).
- (9) Includes (i) 308,663 shares of our Series Seed convertible preferred stock held by Mr. Kiernan; (ii) 65,569 shares of our Series Seed convertible preferred stock held by Sonostar, of which Mr. Kiernan is President; and (iii) 65,569 shares of our Series Seed convertible preferred stock held by the Kiernan Family Trust, of which Mr. Kiernan's children beneficiaries.

#### Series A Convertible Preferred Stock Financing

In July 2019, we entered into a Series A preferred stock purchase agreement with various investors, pursuant to which we issued and sold an aggregate of 13,697,916 shares of our Series A convertible preferred stock at a price per share of \$7.6654 for gross proceeds of \$105.0 million.

The table below sets forth the number of shares of our Series A convertible preferred stock purchased by our executive officers, directors, holders of more than 5% of our capital stock and their affiliated entities or immediate family members. Each share of Series A convertible preferred stock in the table below will convert into one share of our common stock upon the closing of this offering.

Name	Series A Convertible Preferred Stock	Aggregate Purchase Price
<b>Executive Officers and Directors:</b>		
Jakob Loven, Ph.D. <sup>(1)</sup>	1,304,563	9,999,997
John C. Martin, Ph.D. <sup>(2)</sup>	717,509	5,499,993
Arie S. Beldegrun, M.D. <sup>(3)</sup>	1,268,700	9,725,093
Rebecka Beldegrun, M.D. <sup>(4)</sup>	1,268,700	9,725,093
Joshua A. Kazam <sup>(5)</sup>	65,228	499,999
David M. Tanen <sup>(6)</sup>	65,243	500,114
Philip Gutry	9,784	74,998
<b>Greater than 5% stockholders:</b>		
Norbert W. & Inger A. Bischofberger Revocable Inter Vivos Trust, dtd August 29, 1994 <sup>(7)</sup>	1,565,475	11,999,992
Omega Fund V, L.P. <sup>(8)</sup>	1,304,563	9,999,997
Vida Ventures, LLC <sup>(9)</sup>	1,304,563	9,999,997
Gregory F. Kiernan and affiliated entities <sup>(10)</sup>	65,227	499,991

(1) Includes 1,304,563 shares of our Series A convertible preferred stock held by Nextech V Oncology S.C.S, SICAV-SIF (Nextech). Dr. Loven is a Partner of Nextech Invest AG, the investment advisor to Nextech.

(2) Includes 717,509 shares of our Series A convertible preferred stock held by Nexus Development PA, LLC, of which Dr. Martin is Managing Member.

(3) Includes (i) 228,315 shares of our Series A convertible preferred stock held by Bellco, of which Dr. Arie Beldegrun is the President; (ii) 342,447 shares of our Series A convertible preferred stock held by Vecchia, a company for which his wife, Dr. Rebecka Beldegrun, serves as President; (iii) 277,219 shares of our Series A convertible preferred stock held by the Seaview Trust, of which Dr. Beldegrun is a beneficiary; (iv) 52,182 shares of our Series A convertible preferred stock held by the Daniel-BCT trust, of which Daniel Beldegrun, who is Dr.

- Beldegrun's son, is a beneficiary; (v) 52,182 shares of our Series A convertible preferred stock held by the Mia-BCT trust, of which Mia Beldegrun, who is Dr. Beldegrun's daughter, is a beneficiary; (vi) 52,182 shares of our Series A convertible preferred stock held by the Ron-BCT trust, of which Ron Beldegrun, who is Dr. Beldegrun's son, is a beneficiary; (vii) 52,182 shares of our Series A convertible preferred stock held by Adrenalin Properties Ltd., of which Benjamin Beldegrun, who is Dr. Beldegrun's son, owns 100% of the equity; and (viii) 211,991 shares of our Series A convertible preferred stock held by Novatrust Limited, as Trustees of the Tampere Trust, of which Dr. Beldegrun is a beneficiary.
- (4) Includes (i) 228,315 shares our Series A convertible preferred stock held by Bellco, of which Dr. Rebecka Beldegrun's husband, Dr. Arie Beldegrun, is the President and (ii) 342,447 shares of our Series A convertible preferred stock held by Vecchia, a company for which Dr. Rebecka Beldegrun serves as President; (iii) 277,219 shares of our Series A convertible preferred stock held by the Seaview Trust, of which Dr. Beldegrun is a beneficiary; (iv) 52,182 shares of our Series A convertible preferred stock held by the Daniel-BCT trust, of which Daniel Beldegrun, who is Dr. Beldegrun's son, is a beneficiary; (v) 52,182 shares of our Series A convertible preferred stock held by the Mia-BCT trust, of which Mia Beldegrun, who is Dr. Beldegrun's daughter, is a beneficiary; and (vi) 52,182 shares of our Series A convertible preferred stock held by the Ron-BCT trust, of which Ron Beldegrun, who is Dr. Beldegrun's son, is a beneficiary; (vii) 52,182 shares of our Series A convertible preferred stock held by Adrenalin Properties Ltd., of which Benjamin Beldegrun, who is Dr. Beldegrun's son, owns 100% of the equity; and (viii) 211,991 shares of our Series A convertible preferred stock held by Novatrust Limited, as Trustees of the Tampere Trust, of which Dr. Beldegrun is a beneficiary.
- (5) Consists of 65,228 shares of our Series A convertible preferred stock held by the Kazam, Joshua and Joia JTWROS trust, of which Mr. Kazam is a beneficiary.
- (6) Consists of 500,114 shares of our Series A convertible preferred stock held by the David Tanen Revocable Grantor Trust, of which Mr. Tanen is a beneficiary
- (7) Dr. Bischofberger is a beneficiary of the Norbert W. & Inger A. Bischofberger Revocable Inter Vivos Trust, dtd August 29, 1994.
- (8) Omega Manager is the sole general partner of Omega Fund V GP, LP, which is the sole general partner of Omega. Dr. Stampacchia is one of three Directors of Omega Manager.
- (9) Dr. Arie Beldegrun is a Senior Managing Director of Vida.
- (10) Includes (i) 45,659 shares of our Series A convertible preferred stock held by Mr. Kiernan; (ii) 9,784 shares of our Series A convertible preferred stock held by Sonostar, of which Mr. Kiernan is President; and (iii) 9,784 shares of our Series A convertible preferred stock held by the Kiernan Family Trust, of which Mr. Kiernan's children are beneficiaries.

#### 2020 Notes Financing

In August 2020, we sold and issued approximately \$155.2 million aggregate principal amount of 2020 Notes in a private placement transaction. The 2020 Notes do not accrue interest and will automatically settle into shares of our common stock in connection with the closing of this offering at a settlement price equal to 85% of the initial public offering price per share set forth on the cover page of this prospectus.

The table below sets forth the principal amount of 2020 Notes purchased by our executive officers, directors, holders of more than 5% of our capital stock and their affiliated entities or immediate family members.

Name	Principal Amount of 2020 Notes
<b>Executive Officers and Directors:</b>	
Jakob Loven, Ph.D. <sup>(1)</sup>	2,729,860
John C. Martin, Ph.D. <sup>(2)</sup>	3,314,963
Arie S. Beldegrun, M.D. <sup>(3)</sup>	5,539,966
Rebecka Beldegrun, M.D. <sup>(4)</sup>	5,539,966
Joshua A. Kazam <sup>(5)</sup>	874,907
David M. Tanen <sup>(6)</sup>	849,473
Philip Gutry	20,473
<b>Greater than 5% stockholders:</b>	
Norbert W. & Inger A. Bischofberger Revocable Inter Vivos Trust, dtd August 29, 1994 <sup>(7)</sup>	3,000,000
Omega Fund V, L.P. <sup>(8)</sup>	5,915,730
Vida Ventures, LLC <sup>(9)</sup>	4,090,016
Gregory F. Kiernan and affiliated entities <sup>(10)</sup>	1,056,795

(1) Consists of a 2020 Note held by Nextech V Oncology S.C.S. SICAV-SIF (Nextech). Dr. Loven is a Partner of Nextech Invest AG, the investment advisor to Nextech.

(2) Consists of a 2020 Note held by Nexus Development PA, LLC, of which Dr. Martin is Managing Member.

(3) Includes (i) a 2020 Note in the principal amount of \$1,904,565.00 held by Vecchia, a company for which Dr. Arie Beldegrun's wife, Dr. Rebecka Beldegrun, serves as President; (ii) a 2020 Note in the principal amount of \$372,604.44 held by Daniel Beldegrun, who is Dr. Beldegrun's son; (iii) a 2020 Note in the principal amount of \$122,604.44 held by Mia Beldegrun, who is Dr. Beldegrun's daughter; (iv) a 2020 Note in the principal amount of \$122,604.44 held by Ron Beldegrun, who is Dr. Beldegrun's son; (v) a 2020 Note in the principal amount of \$500,000.00 held by the Seaview Trust, of which Dr. Beldegrun is a beneficiary; (vi) 2020 Notes in the principal amount of \$122,604.44, each held by the Daniel-BCT trust, the Mia-BCT trust and the Ron-BCT trust, for which Daniel Beldegrun, Mia Beldegrun and Ron Beldegrun, respectively, are beneficiaries; (vii) a 2020 Note in the principal amount of \$245,208.88 held by Adrenalin Properties Ltd., of which Benjamin Beldegrun, who is Dr. Beldegrun's son, owns 100% of the equity; and (viii) a 2020 Note in the principal amount of \$1,904,565.00 held by Novatrust Limited, as Trustees of the Tampere Trust, of which Dr. Beldegrun is a beneficiary.

(4) Includes (i) a 2020 Note in the principal amount of \$1,904,565.00 held by Vecchia, a company for which Dr. Rebecka Beldegrun serves as President; (ii) a 2020 Note in the principal amount of \$372,604.44 held by Daniel Beldegrun, who is Dr. Beldegrun's son; (iii) a 2020 Note in the principal amount of \$122,604.44 held by Mia Beldegrun, who is Dr. Beldegrun's daughter; (iv) a 2020 Note in the principal amount of \$122,604.44 held by Ron Beldegrun, who is Dr. Beldegrun's son; (v) a 2020 Note in the principal amount of \$500,000.00 held by the Seaview Trust, of which Dr. Beldegrun is a beneficiary; and (vi) 2020 Notes in the principal amount of \$122,604.44, each held by the Daniel-BCT trust, the Mia-BCT trust and the Ron-BCT trust, for which Daniel Beldegrun, Mia Beldegrun and Ron Beldegrun, respectively, are beneficiaries; (vii) a 2020 Note in the principal amount of \$245,208.88 held by Adrenalin Properties Ltd., of which Benjamin Beldegrun, who is Dr. Beldegrun's son, owns 100% of the equity; and (viii) a 2020 Note in the principal amount of \$1,904,565.00 held by Novatrust Limited, as Trustees of the Tampere Trust, of which Dr. Beldegrun is a beneficiary.

(5) Consists of a 2020 Note in the principal amount of \$874,906.59 held by the Joshua Kazam Irrevocable Grantor Trust, of which Mr. Kazam is a beneficiary.

(6) Includes (i) a 2020 Note in the principal amount of \$599,472.96 held by the David Tanen Revocable Grantor Trust, of which Mr. Tanen is a beneficiary; and (ii) a 2020 Note in the principal amount of \$250,000.00 held by the David Tanen Dynasty Trust (Jessica Collins Trustee), of which Mr. Tanen's children are beneficiaries.

(7) Dr. Bischofberger is a beneficiary of the Norbert W. & Inger A. Bischofberger Revocable Inter Vivos Trust, dtd August 29, 1994.

(8) Omega Manager is the sole general partner of Omega Fund V GP, LP, which is the sole general partner of Omega. Dr. Stampacchia is one of three Directors of Omega Manager.

(9) Dr. Arie Beldegrun is a Senior Managing Director of Vida.

(10) Includes (i) a 2020 Note in the principal amount of \$741,435.55 held by Mr. Kiernan; (ii) a 2020 Note in the principal amount of \$157,679.72 held by Sonostar, of which Mr. Kiernan is President; and (iii) a 2020 Note in the

principal amount of \$157,679.72 held by the Kiernan Family Trust, of which Mr. Kiernan's children are beneficiaries.

#### **Investors' Rights and Voting Agreements**

In connection with our convertible preferred stock financings, we entered into investors' rights and voting agreements containing registration rights, information rights and voting rights, among other things, with certain holders of our capital stock. In addition, in connection with our sale and issuance of the 2020 Notes in August 2020, we amended our existing amended and restated investors' rights agreement to provide certain registration rights to the purchasers of the 2020 Notes. The holders of more than 5% of our capital stock listed above are parties to these agreements. Our executive officers and directors who are parties to these agreements or who are related to parties to these agreements are Philip Gutry, Joshua Kazam, David Tanen and Drs. Arie Beldegrun, Rebecka Beldegrun, Norbert Bischofberger, Jakob Loven, John C. Martin and Otello Stampacchia.

These stockholder agreements will terminate upon the closing of this offering, except for the registration rights granted under our investors' rights agreement, which will terminate upon the earliest of (i) the closing of a deemed liquidation event, as defined in our amended and restated certificate of incorporation, as currently in effect; (ii) with respect to each stockholder, the date when such stockholder can sell all of its registrable shares without limitation during a three-month period without registration pursuant to Rule 144 of the Securities Act (Rule 144), or another similar exemption under the Securities Act; and (iii) five years after the completion of this offering. For a description of the registration rights, see the section of this prospectus titled "Description of Capital Stock—Registration Rights."

#### **Consulting Arrangements**

In December 2017, we entered into a consulting agreement with Two River. Joshua Kazam and David Tanen, members of our board of directors, are each partners of Two River. Pursuant to the consulting agreement, Two River provides strategic, financial, business development and other consulting services and is compensated for such services rendered at a rate \$25,000 per month. In June 2019, the consulting agreement was amended to change Two River's compensation under the agreement to \$90,000 per month. Dr. Beldegrun serves as the Chairman of Two River but does not receive any salary, commission or other fees for serving in such capacity.

In May 2019 we entered into a consulting agreement with Bellco. Arie Beldegrun, M.D., FACS, the Chairman of our board of directors, and Rebecka Beldegrun, M.D., a member of our board of directors, own and control Bellco. Pursuant to the consulting agreement, Bellco provides certain services for us, which are performed by Drs. Arie Beldegrun and Rebecka Beldegrun, and include without limitation, providing advice and analysis with respect to our business and strategy. In consideration for these services, we pay Bellco \$2,100 per month in arrears commencing January 2019. We also reimburse Bellco for out of pocket expenses incurred in performing the services.

#### **Indemnification Agreements**

We have entered into indemnification agreements with certain of our current directors and executive officers, and intend to enter into new indemnification agreements with each of our current directors and executive officers before the completion of this offering. Our amended and restated certificate of incorporation and our amended and restated bylaws will provide that we will indemnify our directors and officers to the fullest extent permitted by applicable law. See the section titled "Management—Limitation on Liability and Indemnification Matters."

#### **Directed Share Program**

At our request, the underwriters have reserved for sale, at the initial public offering price, up to % of the shares offered by this prospectus, excluding the additional shares that the underwriters have a 30-day option to purchase, for sale to certain of our directors and officers and certain other parties related to us.

### **Policies and Procedures for Related Party Transactions**

We intend to adopt a written related-person transactions policy prior to the completion of this offering that sets forth our policies and procedures regarding the identification, review, consideration and oversight of "related-person transactions." For purposes of our policy only, a "related-person transaction" is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we and any "related person" are participants involving an amount that exceeds \$120,000. Transactions involving compensation for services provided to us as an employee, consultant or director are not considered related-person transactions under this policy. A related person is any executive officer, director, nominee to become a director or a holder of more than five percent of our common stock, including any of their immediate family members and affiliates, including entities owned or controlled by such persons.

Under the policy, where a transaction has been identified as a related-person transaction, management must present information regarding the proposed related-person transaction to our audit committee (or, where review by our audit committee would be inappropriate, to another independent body of our board of directors) for review. The presentation must include a description of, among other things, all of the parties thereto, the direct and indirect interests of the related persons, the purpose of the transaction, the material facts, the benefits of the transaction to us and whether any alternative transactions are available, an assessment of whether the terms are comparable to the terms available from unrelated third parties and management's recommendation. To identify related-person transactions in advance, we rely on information supplied by our executive officers, directors and certain significant stockholders. In considering related-person transactions, our audit committee or another independent body of our board of directors takes into account the relevant available facts and circumstances including, but not limited to:

- the risks, costs and benefits to us;
- the impact on a director's independence in the event the related person is a director, immediate family member of a director or an entity with which a director is affiliated;
- the terms of the transaction;
- the availability of other sources for comparable services or products; and
- the terms available to or from, as the case may be, unrelated third parties.

In the event a director has an interest in the proposed transaction, the director must recuse himself or herself from the deliberations and approval.

#### PRINCIPAL STOCKHOLDERS

The following table sets forth, as of June 30, 2020, information regarding beneficial ownership of our capital stock by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our common stock;
- each of our named executive officers;
- each of our directors; and
- all of our current executive officers and directors as a group.

The percentage ownership information under the column titled "Before Offering" is based on 28,518,619 shares of common stock outstanding as of June 30, 2020 (which includes 1,371,963 shares outstanding that are subject to forfeiture or our right to repurchase as of such date) assuming the conversion of all outstanding shares of our convertible preferred stock into an aggregate of 21,504,893 shares of common stock in connection with the closing of this offering. The percentage ownership information under the column titled "After Offering" is based on (i) the sale of \_\_\_\_\_ shares of common stock in this offering and (ii) the automatic settlement of the 2020 Notes into an aggregate of \_\_\_\_\_ shares of our common stock, assuming an initial public offering price of \$ \_\_\_\_\_ per share (the midpoint of the price range set forth on the cover page of this prospectus), in connection with the closing of this offering. The percentage ownership information does not reflect any potential purchases pursuant to the directed share program or otherwise of any shares of common stock in this offering by the beneficial owners identified in the table below.

Beneficial ownership is determined according to the rules of the SEC and generally means that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power of that security. In addition, the rules include shares of common stock issuable upon the exercise of stock options that are currently exercisable or exercisable within 60 days of June 30, 2020. These shares are deemed to be outstanding and beneficially owned by the person holding those options for the purpose of computing the percentage ownership of that person, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person. The information contained in the following table does not necessarily indicate beneficial ownership for any other purpose. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, subject to applicable community property laws.

Unless otherwise noted below, the address for each beneficial owner listed in the table below is c/o Kronos Bio, Inc., 1300 So. El Camino Real, Suite 300, San Mateo, CA 94402.



Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned	
		Before Offering	After Offering
<b>Greater than 5% Stockholders:</b>			
Norbert W. & Inger A. Bischofberger Revocable Inter Vivos Trust, dtd August 29, 1994 <sup>(1)</sup>	3,424,346	12.0 %	%
Omega Fund V, L.P. <sup>(2)</sup>	2,845,484	10.0 %	%
Vida Ventures, LLC <sup>(3)</sup>	1,954,563	6.9 %	%
Gregory F. Kiernan and affiliated entities <sup>(4)</sup>	1,709,615	6.0 %	%
<b>Named Executive Officers and Directors:</b>			
Norbert W. Bischofberger, Ph.D. <sup>(5)</sup>	4,424,346	15.5 %	%
Arie S. Belldegrun, M.D., FACS <sup>(6)</sup>	3,461,158	12.1 %	%
Rebecka Belldegrun, M.D. <sup>(7)</sup>	1,506,595	5.3 %	%
Otello Stampacchia, Ph.D. <sup>(8)</sup>	2,845,484	10.0 %	%
Joshua A. Kazam <sup>(9)</sup>	347,398	1.2 %	%
Jakob Loven, Ph.D. <sup>(10)</sup>	1,304,563	4.6 %	%
John C. Martin, Ph.D. <sup>(11)</sup>	1,584,176	5.6 %	%
Elena Ridloff, CFA	—	— %	— %
David M. Tanen <sup>(12)</sup>	830,962	2.9 %	%
Jorge DiMartino, M.D., Ph.D. <sup>(13)</sup>	360,000	1.3 %	%
Philip Gutry <sup>(14)</sup>	224,389	*	*
All current executive officers and directors as a group (13 persons) <sup>(15)</sup>	15,707,476	55.1 %	%

\* Represents beneficial ownership of less than 1%.

(1) Consists of 1,558,871 shares of common stock and 1,865,475 shares of common stock issuable upon conversion of preferred stock held by the Norbert W. & Inger A. Bischofberger Revocable Inter Vivos Trust, dtd August 29, 1994 (Bischofberger Revocable Trust). Dr. Bischofberger is co-trustee of the Bischofberger Revocable Trust.

(2) Consists of 18,437 shares of common stock and 2,827,047 shares of common stock issuable upon conversion of preferred stock held by Omega. Omega Manager is the sole general partner of Omega Fund V GP, LP, which is the sole general partner of Omega. Dr. Stampacchia is one of three Directors of Omega Manager and may therefore be deemed to be the beneficial owner of the common shares held by Omega. The address of Omega Manager is 888 Boylston St., Boston, MA 02199.

(3) Consists of 1,954,563 shares of common stock issuable upon conversion of preferred stock held by Vida. VV Manager LLC is the manager of Vida. Dr. Arie Belldegrun is a Senior Managing Director of VV Manager LLC and may therefore be deemed to be the beneficial owner of the common shares held by Vida. The address of VV Manager LLC is 40 Broad Street, Suite 201, Boston, MA 02109.

(4) Consists of (i) 225,000 shares of common stock and 354,322 shares of common stock issuable upon conversion of preferred stock held by Gregory Kiernan; (ii) 75,000 shares of common stock and 75,353 shares of common stock issuable upon conversion of preferred stock held by Sonostar; (iii) 418,107 shares of shares of common stock issuable upon conversion of preferred stock held by the Joshua Kazam Irrevocable Trust (Kazam Irrevocable Trust); (iv) 125,000 shares of common stock and 286,480 shares of common stock issuable upon conversion of preferred stock held by the Tanen Revocable Trust; and (v) 75,000 shares of common stock and 75,353 shares of common stock issuable upon conversion of preferred stock held by the Kiernan Family Trust. Mr. Kiernan is the President of Sonostar, a trustee of the Kazam Irrevocable Trust and the Tanen Revocable Trust and his wife is a trustee of the Kiernan Family Trust and Mr. Kiernan may therefore be deemed to be the beneficial owner of the common shares held by Sonostar, the Kazam Irrevocable Trust, the Tanen Revocable Trust and the Kiernan Family Trust. The address of Sonostar is 191 King St., Chappaqua, NY 10514.

(5) Consists of (i) the shares described in note (1) above and (ii) 250,000 shares of common stock issuable upon conversion of preferred stock held by each of (a) Norbert W. Bischofberger and Inger A. Bischofberger, Trustees of The Irene Alisha Bischofberger Dynasty GST Exempt Trust dated April 29, 2020; (b) Norbert W. Bischofberger and Inger A. Bischofberger, Trustees of The Irene Alisha Bischofberger Dynasty GST Non-Exempt Trust dated

- April 29, 2020; (c) Norbert W. Bischofberger and Inger A. Bischofberger, Trustees of The David Michael Anthony Dynasty GST Exempt Trust dated April 29, 2020; and (d) Norbert W. Bischofberger and Inger A. Bischofberger, Trustees of The David Michael Anthony Dynasty GST Non-Exempt Trust dated April 29, 2020 (collectively, the Bischofberger Dynasty Trusts). Dr. Bischofberger is co-trustee of the Bischofberger Dynasty Trusts and may therefore be deemed to be the beneficial owner of the common shares held by the Bischofberger Dynasty Trusts. The address of the Bischofberger Dynasty Trusts is Pillsbury Winthrop, Four Embarcadero Center, 22nd Floor, SF, CA 94111, Attn: Timothy Burgh.
- (6) Consists of (i) the shares described in note (3) above; (ii) 242,500 shares of common stock and 401,648 shares of common stock issuable upon conversion of preferred stock held by Bellco; and (iii) 862,447 shares of common stock issuable upon conversion of preferred stock held by Vecchia. Dr. Arie Beldegrun is the President of Bellco and a Senior Managing Director of VV Manager LLC, and his wife, Dr. Rebecka Beldegrun, is the President of Vecchia. Dr. Arie Beldegrun may therefore be deemed to be the beneficial owner of the common shares held by Bellco, Vida and Vecchia and Dr. Rebecka Beldegrun may therefore be deemed to be the beneficial owner of the common shares held by Bellco and Vecchia. The address of Bellco is 2049 Century Park E., Suite 1940, Los Angeles, CA 90067. The address of Vecchia is 2049 Century Park E., Suite 1940, Los Angeles, CA 90067.
- (7) Consists of the shares described in note (6) above other than the shares described in note (3) above.
- (8) Consists of the shares described in note (2) above.
- (9) Consists of (i) 2,000 shares of common stock and 22,328 shares of common stock issuable upon conversion of preferred stock held by Joshua A. Kazam; (ii) 65,228 shares of common stock issuable upon conversion of preferred stock held jointly by Mr. Kazam and his wife; (iii) 128,921 shares of common stock issuable upon conversion of preferred stock held by the Julia Chang 2018 Irr. Trust (Julia Chang Trust); and (iv) 128,921 shares of common stock issuable upon conversion of preferred stock held by the Robert Chang 2018 Irr. Trust (Robert Chang Trust). Mr. Kazam, a member of our board of directors, is co-trustee of the Julia Chang Trust and the Robert Chang Trust and may therefore be deemed to be the beneficial owner of the common shares held by the Julia Chang Trust and the Robert Chang Trust. The address of the Julia Chang Trust and the Robert Chang Trust is c/o Two River Consulting, LLC, 689 5th Avenue, 12th Floor, New York, NY 10022.
- (10) Consists of 1,304,563 shares of common stock issuable upon conversion of preferred stock held by Nextech. Jakob Loven, Ph.D., a member of our board of directors, is a Partner of Nextech Invest AG, the investment advisor to Nextech, and may therefore be deemed to be the beneficial owner of the common shares held by Nextech. The address of Nextech is 8, Rue Lou Hemmer, Senningerberg, Luxembourg, L-1748.
- (11) Consists of (i) 866,667 shares of common stock held by John C. Martin, Ph.D., and (ii) 717,509 shares of common stock issuable upon conversion of preferred stock held by Nexus Development PA, LLC (Nexus). Dr. Martin, a member of our board of directors, is President of Nexus and may therefore be deemed to be the beneficial owner of the common shares held by Nexus. The address of Nexus is 3 Lagoon Drive, Redwood City, CA 94065.
- (12) Consists of (i) 125,000 shares of common stock and 219,482 shares of common stock issuable upon conversion of preferred stock held by David M. Tanen; (ii) 125,000 shares of common stock and 286,480 shares of common stock issuable upon conversion of preferred stock held by the Tanen Revocable Trust; and (iii) 75,000 shares of common stock held equally by Mr. Tanen's minor children.
- (13) Consists of 360,000 shares of common stock issuable upon exercise of options, all of which will be unvested but exercisable within 60 days of June 30, 2020.
- (14) Consists of 214,605 shares of common stock and 9,784 shares of common stock issuable upon conversion of preferred stock.
- (15) Includes the shares described in notes (5), (6) and (8) through (14), and shares held or issuable upon early exercise of stock options by executive officers who are not named in the table above.

## DESCRIPTION OF CAPITAL STOCK

Upon filing and effectiveness of our amended and restated certificate of incorporation and the closing of this offering, our authorized capital stock will consist of 200,000,000 shares of common stock, par value \$0.001 per share, and 10,000,000 shares of preferred stock, par value \$0.001 per share. All of our authorized preferred stock upon the closing of this offering will be undesignated. The following is a summary of the rights of our common and preferred stockholders and some of the provisions of our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective immediately prior to and upon the closing of this offering, respectively, and of the Delaware General Corporation Law. This summary is not complete. For more detailed information, please see our amended and restated certificate of incorporation and amended and restated bylaws, which are filed as exhibits to the registration statement of which this prospectus is a part, as well as the relevant provisions of the Delaware General Corporation Law.

### Common Stock

#### Outstanding Shares

As of June 30, 2020, we had 7,013,726 shares of common stock outstanding (which includes 1,371,963 shares outstanding that are subject to forfeiture or our right to repurchase as of such date), held of record by 61 stockholders. This amount excludes our outstanding shares of convertible preferred stock, which will convert into 21,504,893 shares of common stock in connection with the closing of this offering. Based on the number of shares of common stock outstanding as of June 30, 2020, and assuming (i) the conversion of all of our outstanding shares of convertible preferred stock, (ii) the settlement of all outstanding 2020 Notes into an aggregate of \_\_\_\_\_ shares of our common stock, assuming an initial public offering price of \$ \_\_\_\_\_ per share (the midpoint of the price range set forth on the cover page of this prospectus), in connection with the closing of this offering, and (iii) the issuance by us of \_\_\_\_\_ shares of our common stock in this offering, there will be \_\_\_\_\_ shares of common stock outstanding upon the closing of this offering.

As of June 30, 2020, there were 2,119,880 shares of common stock subject to outstanding options under the Prior Plan.

#### Voting Rights

Each holder of common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders. The affirmative vote of holders of at least 66<sup>2/3</sup>% of the voting power of all of the then-outstanding shares of capital stock, voting as a single class, will be required to amend certain provisions of our amended and restated certificate of incorporation, including provisions relating to amending our amended and restated bylaws, the classified structure of our board of directors, the size of our board of directors, removal of directors, director liability, vacancies on our board of directors, special meetings, stockholder notices, actions by written consent and exclusive jurisdiction.

#### Dividends

Subject to preferences that may apply to any outstanding preferred stock, holders of our common stock are entitled to receive ratably any dividends that our board of directors may declare out of funds legally available for that purpose on a non-cumulative basis.

#### 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, subject to the satisfaction of any liquidation preference granted to the holders of any outstanding shares of preferred stock.

**Rights and Preferences**

Holders of our common stock have no preemptive, conversion or subscription 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 and issue 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**

Upon the closing of this offering, all of our currently outstanding shares of convertible preferred stock will convert into common stock and we will not have any preferred stock outstanding. Immediately after the completion of this offering, our certificate of incorporation will be amended and restated to delete all references to such shares of convertible preferred stock. Under the amended and restated certificate of incorporation, our board of directors will have the authority, without further action by the stockholders, to issue up to 10,000,000 shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the rights, preferences and privileges of the shares of each wholly unissued series and any qualifications, limitations or restrictions thereon and to increase or decrease the number of shares of any such series, but not below the number of shares of such series then outstanding.

Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in our control that may otherwise benefit holders of our common stock and may adversely affect the market price of the common stock and the voting and other rights of the holders of common stock. We have no current plans to issue any shares of preferred stock.

**Registration Rights**

After the closing of this offering, certain holders of shares of our common stock, including all of the current preferred stockholders, including certain holders of more than five percent of our capital stock and entities affiliated with certain of our directors, and the holders of the 2020 Notes, will be entitled to certain rights with respect to registration of the shares of common stock issued upon conversion of our convertible preferred stock and the 2020 Notes under the Securities Act. These shares are referred to as registrable securities. The holders of these registrable securities possess registration rights pursuant to the terms of our amended and restated investors' rights agreement and are described in additional detail below. The registration of shares of our common stock pursuant to the exercise of the registration rights described below would enable the holders to trade these shares without restriction under the Securities Act when the applicable registration statement is declared effective. We will pay the registration expenses, other than underwriting discounts, selling commissions, stock transfer taxes and certain fees and disbursements of counsel for the selling holders in excess of \$10,000, of the shares registered pursuant to the demand, piggyback and Form S-3 registrations described below.

Generally, in an underwritten offering, the managing underwriter, if any, has the right, subject to specified conditions and limitations, to limit the number of shares the holders may include. The demand, piggyback and Form S-3 registration rights described below will expire upon the earliest to occur of (i) the closing of a "deemed liquidation event", as such term is defined in our third amended and restated certificate of incorporation (as currently in effect); (ii) with respect to any particular holder, at such time

that such holder can sell its shares under Rule 144 of the Securities Act or another similar exemption during any three-month period; or (iii) the fifth anniversary of the completion of this offering.

#### ***Demand Registration Rights***

The holders of registrable securities will be entitled to certain demand registration rights. Beginning 180 days following the effectiveness of the registration statement of which this prospectus is a part, certain investors holding, collectively, at least 60% of registrable securities then outstanding may, on not more than two occasions, request that we register all or a portion of their shares, subject to certain specified exceptions. Such request for registration must cover securities with an aggregate offering price which equals at least \$15.0 million, net of selling expenses. If any of these holders exercises its demand registration rights, then holders of all registrable securities will be entitled to register their shares, subject to specified conditions and limitations, in the corresponding offering.

#### ***Piggyback Registration Rights***

In connection with this offering, the holders of registrable securities are entitled to their rights to notice of this offering and to include their shares of registrable securities in this offering. The requisite percentage of these stockholders have waived all such stockholders' rights to notice of this offering and to include their shares of registrable securities in this offering. In the event that we propose to register any of our securities under the Securities Act in another offering, either for our own account or for the account of other security holders, the holders of registrable securities will be entitled to certain "piggyback" registration rights allowing them to include their shares in such registration, subject to specified conditions and limitations.

#### ***S-3 Registration Rights***

Upon the closing of this offering, the holders of registrable securities will initially be entitled to certain Form S-3 registration rights. Certain investors holding, collectively, at least 20% of registrable securities then outstanding may, on not more than two registrations on Form S-3 within any 12-month period, request that we register all or a portion of their shares on Form S-3 if we are qualified to file a registration statement on Form S-3, subject to specified exceptions. Such request for registration on Form S-3 must cover securities with an aggregate offering price which equals at least \$3.0 million, net of selling expenses. The right to have such shares registered on Form S-3 is further subject to other specified conditions and limitations.

#### **Anti-Takeover Provisions of Delaware Law and Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws**

##### ***Section 203 of the Delaware General Corporation Law***

We are subject to Section 203 of the DGCL, which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction began, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

Section 203 defines a "business combination" to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; and
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits by or through the corporation.

In general, Section 203 defines an "interested stockholder" as an entity or person who, together with the person's affiliates and associates, beneficially owns, or within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

The statute could prohibit or delay mergers or other takeover or change in control attempts and, accordingly, may discourage attempts to acquire us even though such a transaction may offer our stockholders the opportunity to sell their stock at a price above the prevailing market price.

***Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws***

Among other things, our amended and restated certificate of incorporation and amended and restated bylaws will:

- permit our board of directors to issue up to 10,000,000 shares of preferred stock, with any rights, preferences and privileges as they may designate, including the right to approve an acquisition or other change in control;
- provide that the authorized number of directors may be changed only by resolution of our board of directors;
- provide that our board of directors will be classified into three classes of directors;
- provide that, subject to the rights of any series of preferred stock to elect directors, directors may only be removed for cause, which removal may be effected, subject to any limitation imposed by law, by the holders of at least 66 2/3% of the voting power of all of our then-outstanding shares of the capital stock entitled to vote generally at an election of directors;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent or electronic transmission;

- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide advance notice in writing, and also specify requirements as to the form and content of a stockholder's notice;
- provide that special meetings of our stockholders may be called only by the chairman of our board of directors, our chief executive officer or president or by our board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors, and not by our stockholders; and
- not provide for cumulative voting rights, therefore allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose.

The amendment of any of these provisions would require approval by the holders of at least 66 <sup>2</sup>/<sub>3</sub>% of the voting power of all of our then-outstanding common stock entitled to vote generally in the election of directors, voting together as a single class.

The combination of these provisions will make it more difficult for our existing stockholders to replace our board of directors as well as for another party to obtain control of us by replacing our board of directors. Because our board of directors has the power to retain and discharge our officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management. In addition, the authorization of 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 our control.

These provisions are intended to enhance the likelihood of continued stability in the composition of our board of directors and its policies and to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to reduce our vulnerability to hostile takeovers and to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and may have the effect of delaying changes in our control or management. As a consequence, these provisions may also inhibit fluctuations in the market price of our stock that could result from actual or rumored takeover attempts. We believe that the benefits of these provisions, including increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure our company, outweigh the disadvantages of discouraging takeover proposals, because negotiation of takeover proposals could result in an improvement of their terms.

#### **Choice of Forum**

Our amended and restated certificate of incorporation to be effective immediately prior to the closing of this offering will provide that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers or other employees to us or our stockholders; (iii) any action or proceeding asserting a claim against us or any of our current or former directors, officers or other employees, arising out of or pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our bylaws; (iv) any action or proceeding to interpret, apply, enforce or determine the validity of our certificate of incorporation or our bylaws; (v) any action or proceeding as to which the Delaware General Corporation Law confers jurisdiction to the Court of Chancery of the State of Delaware; and (vi) any action asserting a claim against us or any of our directors, officers or other employees governed by the internal affairs doctrine. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the U.S. federal courts have exclusive jurisdiction.

In addition, our amended and restated certificate of incorporation to be effective immediately prior to the closing of this offering will provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act.

While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions. We note that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

**Limitation on Liability and Indemnification**

See the section of this prospectus titled "Management—Limitation on Liability and Indemnification Matters."

**Listing**

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

**Transfer Agent and Registrar**

Upon the closing of this offering, the transfer agent and registrar for our common stock will be . The transfer agent's address is .



## SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock, and a liquid trading market for our common stock may not develop or be sustained after this offering. Future sales of our common stock, including shares issued upon the exercise of outstanding options, in the public market after the completion of this offering, or the perception that those sales may occur, could adversely affect the prevailing market price for our common stock from time to time 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 the completion 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 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 June 30, 2020, upon the closing of this offering and assuming (i) the conversion of all outstanding shares of our convertible preferred stock into an aggregate of 21,504,893 shares of our common stock in connection with the closing of this offering; (ii) no election by Gilead to convert the principal amount of the Gilead Note and accrued interest thereon into shares of common stock in connection with the closing of this offering in lieu of cash settlement, which number of shares assumes an initial public offering price of \$ per share (the midpoint of the price range set forth on the cover page of this prospectus) and an offering closing date of , 2020; (iii) the settlement of all outstanding 2020 Notes into an aggregate of shares of common stock, assuming an initial public offering price of \$ per share (the midpoint of the price range set forth on the cover page of this prospectus), in connection with the closing of this offering; (iv) no exercise of the underwriters' option to purchase additional shares of common stock; and (v) no exercise of outstanding options, we will have outstanding an aggregate of approximately shares of common stock. Of these shares, all of the shares of common stock to be sold in this offering 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 or subject to lock-up agreements. 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 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 (calculated as of June 30, 2020 on the basis of the assumptions described above and assuming no exercise of the underwriter's option to purchase additional shares, if any, and no exercise of outstanding options), 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:

Approximate Number of Shares	First Date Available For Sale Into Public Market
shares	181 days after the date of this prospectus, upon expiration of the lock-up agreements referred to below, subject in some cases to applicable volume, manner of sale and other limitations under Rule 144 and Rule 701.

We may issue shares of common stock from time to time as consideration for future acquisitions, investments or other corporate purposes. In the event that any such acquisition, investment or other transaction is significant, the number of shares of common stock that we may issue may in turn be

significant. We may also grant registration rights covering those shares of common stock issued in connection with any such acquisition and investment.

In addition, the shares of common stock reserved for future issuance under our 2020 Plan will become eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules, the lock-up agreements, a registration statement under the Securities Act or an exemption from registration, including Rule 144 and Rule 701.

#### **Rule 144**

In general, persons who have beneficially owned restricted shares of our common stock for at least six months, and any affiliate of the company who owns shares of our common stock, are entitled to sell their securities without registration with the SEC under an exemption from registration provided by Rule 144.

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, and we are current in our Exchange Act reporting at the time of sale, 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 90 days 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 below, 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 upon the closing of this offering (calculated as of June 30, 2020 on the basis of the assumptions described above and assuming no exercise of the underwriter's option to purchase additional shares, if any, and no exercise of outstanding options); or
- the average weekly trading volume of our common stock on Nasdaq 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 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) and who are not our "affiliates" as defined in Rule 144 during the immediately preceding 90 days, is entitled to rely on Rule 701 to resell such shares beginning 90 days after the date of this prospectus in reliance on Rule 144, but without complying with the notice, manner of sale, public information requirements or volume limitation provisions of Rule 144. Persons who are our "affiliates" may resell those shares beginning 90 days after the date of this prospectus without compliance with minimum holding period requirements under Rule 144 (subject to the terms of the lock-up agreement referred to below, if applicable).

#### **Lock-Up Agreements**

In connection with this offering, we, our directors, our executive officers and holders of substantially all of our other outstanding shares of common stock or securities convertible into or exchangeable for shares of our common stock outstanding upon the closing of this offering, have agreed, subject to certain limited exceptions, with the underwriters not to directly or indirectly offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of or hedge any shares of our common stock or any options to purchase shares of our common stock, or any securities convertible into or exchangeable for shares of common stock during the period from the date of the lock-up agreement continuing through and including the date 180 days after the date of this prospectus, except with the prior written consent of the representatives of the underwriters, and certain other limited exceptions. These agreements are described in the section titled "Underwriting."

In addition to the restrictions contained in the lock-up agreements described above, we have entered into agreements with certain security holders, including the amended and restated investors' rights agreement, our standard form of option agreement, our standard form of restricted stock agreement and our standard form of restricted stock purchase agreement, that contain market stand-off provisions or incorporate market stand-off provisions from our equity incentive plan imposing restrictions on the ability of such security holders to offer, sell or transfer our equity securities for a period of 180 days following the date of this prospectus.

#### **Registration Rights**

Upon the closing of this offering and assuming an initial public offering price of \$ \_\_\_\_\_ per share (the midpoint of the price range set forth on the cover page of this prospectus), the holders of an aggregate of \_\_\_\_\_ shares of our common stock will have rights, subject to certain conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. After registration pursuant to these rights, these shares will become freely tradable without restriction under the Securities Act. See the section of this prospectus titled "Description of Capital Stock—Registration Rights" for additional information regarding these registration rights.

#### **Equity Incentive Plans**

We intend to file with the SEC a registration statement on Form S-8 under the Securities Act covering the shares of common stock reserved for issuance under outstanding options under the Prior Plan and reserved for issuance under the 2020 Plan and the ESPP. The registration statement is expected to be filed and become effective as soon as practicable after the completion of this offering. Accordingly, shares registered under the 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 is a summary of the material U.S. federal income tax consequences to non-U.S. holders (as defined below) of the acquisition, ownership and disposition of our common stock issued pursuant to this offering. This discussion is not a complete analysis of all potential U.S. federal income tax consequences relating thereto, does not address the potential application of the Medicare contribution tax on net investment income, and does not address any estate or gift tax consequences or any tax consequences arising under any state, local or foreign tax laws, or any other U.S. federal tax laws. This discussion is based on the Code, and applicable Treasury Regulations promulgated thereunder, judicial decisions and published rulings and administrative pronouncements of the Internal Revenue Service (IRS), all as in effect as of the date hereof. These authorities are subject to differing interpretations and may change, possibly retroactively, resulting in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the IRS with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This discussion is limited to non-U.S. holders who purchase our common stock pursuant to this offering and who 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 of the U.S. federal income tax consequences that may be relevant to a particular holder in light of such holder's particular circumstances. This discussion also does not consider any specific facts or circumstances that may be relevant to holders subject to special rules under the U.S. federal income tax laws, including:

- certain former citizens or long-term residents of the United States;
- partnerships or other pass-through entities (and investors therein);
- "controlled foreign corporations;"
- "passive foreign investment companies;"
- corporations that accumulate earnings to avoid U.S. federal income tax;
- banks, financial institutions, investment funds, insurance companies, brokers, dealers or traders in securities;
- tax-exempt organizations and governmental organizations;
- tax-qualified retirement plans;
- "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
- persons subject to the alternative minimum tax;
- persons that own, or have owned, actually or constructively, more than 5% of our common stock at any time;
- accrual-method taxpayers subject to special tax accounting rules under Section 451(b) of the Code; and
- persons holding our common stock as part of a hedging or conversion transaction or straddle, or synthetic security, or a constructive sale, or other risk reduction strategy or integrated investment.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds our common stock, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Partnerships holding our common stock and the partners in such partnerships

are urged to consult their tax advisors about the particular U.S. federal income tax consequences to them of holding and disposing of our common stock.

**THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF OUR COMMON STOCK, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL OR FOREIGN TAX LAWS AND ANY OTHER U.S. FEDERAL TAX LAWS.**

#### **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 not a "U.S. person" or a partnership (including any entity or arrangement 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 (or entity treated as a corporation for U.S. federal income tax purposes) created or organized in or 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 (i) whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (ii) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

#### **Distributions on Our Common Stock**

We have never declared or paid any cash dividends on our capital stock and we do not intend to pay cash dividends on our common stock for the foreseeable future. However, if we make cash or other property distributions 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 will first be applied against and reduce a holder's tax basis in our common stock, but not below zero. Any excess will be treated as gain realized on the sale or other disposition of our common stock and will be treated as described under the section titled "Gain on Disposition of Our Common Stock" below.

Subject to the discussions below regarding effectively connected income, backup withholding and Sections 1471 through 1474 of the Code (commonly referred to as FATCA), dividends paid to a non-U.S. holder of our common stock generally 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. To receive the benefit of a reduced treaty rate, a non-U.S. holder must furnish us or our paying agent with a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or applicable successor form) and satisfy applicable certification and other requirements. This certification must be provided to us or our paying agent before the payment of dividends and must be updated periodically. If the non-U.S. holder holds the stock through a financial institution or other agent acting on the non-U.S. holder's behalf, the non-U.S. holder will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries.

Non-U.S. holders that do not provide the required certification on a timely basis, but that qualify 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.

If a non-U.S. holder holds our common stock in connection with the conduct of a trade or business in the United States, and dividends paid on our common stock are effectively connected with such holder's U.S. trade or business (and are attributable to such holder's permanent establishment in the United States if required by an applicable tax treaty), the non-U.S. holder will be exempt from U.S. federal withholding tax. To claim the exemption, the non-U.S. holder must generally furnish a valid IRS Form W-8ECI (or applicable successor form) to the applicable withholding agent.

However, any such effectively connected dividends paid on our common stock generally will be subject to U.S. federal income tax on a net income basis at the regular U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

#### **Gain on Disposition of Our Common Stock**

Subject to the discussions below regarding backup withholding and FATCA, a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized on the sale or other disposition of our common stock, unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States, and if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States;
- 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 "United States real property interest" by reason of our status as a United States real property holding corporation (USRPHC), for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period for our common stock, and our common stock is not "regularly traded" on an established securities market (as defined by applicable Treasury Regulations).

Determining whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our other trade or business assets and our foreign real property interests. We believe that we are not currently and do not anticipate becoming a USRPHC for U.S. federal income tax purposes, although there can be no assurance we will not in the future become a USRPHC. If we are or become a USRPHC and the "regularly traded" exception noted above does not apply to the disposition, such non-U.S. holder will generally be taxed on any gain in the same manner as gain that is effectively connected with the conduct of a U.S. trade or business, except that the branch profits tax generally will not apply. Prospective investors are encouraged to consult their own tax advisors regarding the possible consequences to them if we are, or were to become, a USRPHC.

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 U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Gain described in the second bullet point above will be subject to U.S. federal income tax at a flat 30% rate (or such lower rate specified by an applicable income tax treaty), but may be offset by certain U.S.-source capital losses (even though the individual is not considered a resident of the United States), provided that the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses. Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

### **Information Reporting and Backup Withholding**

Annual reports are required to be filed with the IRS and provided to each non-U.S. holder indicating distributions on our common stock paid to such holder and the amount of any tax withheld with respect to those distributions. These information reporting requirements apply even if no withholding was required because the distributions were effectively connected with the holder's conduct of a U.S. trade or business, or withholding was reduced or eliminated by an applicable income tax treaty. This information also may be made available under a specific treaty or agreement with the tax authorities in the country in which the non-U.S. holder resides or is established. Backup withholding, currently at a 24% rate, generally will not apply to payments to a non-U.S. holder of dividends on or the gross proceeds of a disposition of our common stock provided the non-U.S. holder furnishes the required certification for its non-U.S. status, such as by providing a valid IRS Form W-8BEN, IRS Form W-8BEN-E or IRS Form W-8ECI, or certain other requirements are met. Backup withholding may apply if the payor has actual knowledge, or reason to know, that the holder is a U.S. person.

Backup withholding is not an additional tax. If any amount is withheld under the backup withholding rules, the non-U.S. holder should consult with a U.S. tax advisor regarding the possibility of and procedure for obtaining a refund or a credit against the non-U.S. holder's U.S. federal income tax liability, if any.

### **Withholding on Foreign Entities**

FATCA imposes a U.S. federal withholding tax of 30% on certain payments made to a "foreign financial institution" (as specially defined under these rules) unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities certain information regarding certain U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or an exemption applies. FATCA also generally imposes a U.S. federal withholding tax of 30% on certain payments made to a non-financial foreign entity unless such entity provides the withholding agent a certification identifying certain direct and indirect U.S. owners of the entity or an exemption applies. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. FATCA currently applies to dividends paid on our common stock. Under applicable Treasury Regulations and administrative guidance, withholding under FATCA would have applied to payments of gross proceeds from the sale or other disposition of stock on or after January 1, 2019, but under proposed regulations (the preamble to which specifies that taxpayers are permitted to rely on such proposed regulations pending finalization), no withholding would apply with respect to payments of gross proceeds.

Prospective investors are encouraged to consult with their own tax advisors regarding the potential implications of FATCA on their investment in our common stock.

## UNDERWRITING

We and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman Sachs & Co. LLC, Jefferies LLC, Cowen and Company, LLC and Piper Sandler & Co. are the representatives of the underwriters.

Underwriters	Number of Shares
Goldman Sachs & Co. LLC	
Jefferies LLC	
Cowen and Company, LLC	
Piper Sandler & Co.	
<b>Total</b>	

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional \_\_\_\_\_ shares from us to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase \_\_\_\_\_ additional shares.

Per Share	No Exercise	Full Exercise
Total	\$	\$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to \$ \_\_\_\_\_ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We, our directors, our executive officers and holders of substantially all of our other outstanding shares of common stock or securities convertible into or exchangeable for shares of our common stock outstanding upon the closing of this offering have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of the representatives and subject to customary exceptions. This agreement does not apply to any existing employee benefit plans. See the section of this prospectus titled "Shares Eligible for Future Sale" for a discussion of certain transfer restrictions.

At our request, the underwriters have reserved for sale, at the initial public offering price, up to % of the shares offered by this prospectus, excluding the additional shares that the underwriters have a 30-day option to purchase, for sale to certain of our directors and officers and certain other parties related to us. If these persons purchase reserved shares, this will reduce the number of shares available for sale to the general public. Any reserved shares that are not so purchased will be offered by the underwriters to



the general public on the same terms as the other shares offered by this prospectus. If purchased by any of our officers or directors, these shares will be subject to the terms of lock-up agreements described above. Other than the underwriting discount described on the front cover of this prospectus, the underwriters will not be entitled to any commission with respect to shares of our common stock sold pursuant to the directed share program.

Prior to the offering, there has been no public market for the shares. The initial public offering price has been negotiated among us and the representatives. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be our historical performance, estimates of the business potential and our earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

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

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A "covered short position" is a short position that is not greater than the amount of additional shares for which the underwriters' option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. "Naked" short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. 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 after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of our stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on the Nasdaq Global Market, in the over-the-counter market or otherwise.

We estimate that our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately \$ . We will reimburse the underwriters for certain of their expenses incurred in connection with this offering in an amount up to \$ .

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment

management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses, including acting as a placement agent in our previous private placement financings.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

#### **Selling Restrictions**

##### ***European Economic Area and United Kingdom***

In relation to each Member State of the European Economic Area and the United Kingdom (each a Relevant State), no common shares (the Shares) have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Shares shall require the company or any representative to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any Shares in any Relevant 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.

This European Economic Area and UK selling restriction is in addition to any other selling restrictions set out below.

##### ***United Kingdom***

In the United Kingdom, this prospectus is only addressed to and directed at qualified investors who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order); or (ii) high net worth entities and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together

being referred to as relevant persons). Any investment or investment activity to which this prospectus relates is available only to relevant persons and will only be engaged with relevant persons. Any person who is not a relevant person should not act or rely on this prospectus or any of its contents.

#### **Canada**

The securities may be sold in Canada 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 securities must be made in accordance with an exemption form, 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 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.

#### **Hong Kong**

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (Companies (Winding Up and Miscellaneous Provisions) Ordinance) or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (Securities and Futures Ordinance); or (ii) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder; or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case 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 in 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" in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

#### **Singapore**

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the SFA)) under Section 274 of the SFA; (ii) 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 (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is 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, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the shares under Section 275 of the SFA except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA); (ii) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA; (iii) where no consideration is or will be given for the transfer; (iv) where the transfer is by operation of law; (v) as specified in Section 276(7) of the SFA; or (vi) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore (Regulation 32).

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that trust has acquired the shares under Section 275 of the SFA except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA); (ii) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets); (iii) where no consideration is or will be given for the transfer; (iv) where the transfer is by operation of law; (v) as specified in Section 276(7) of the SFA; or (vi) as specified in Regulation 32.

Singapore Securities and Futures Act Product Classification—Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the SFA, we have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the common shares are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) 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).

#### **Japan**

The securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the FIEA). The securities may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

#### LEGAL MATTERS

The validity of the issuance of our common stock offered in this prospectus will be passed upon for us by Cooley LLP, San Diego, California. Certain legal matters in connection with this offering will be passed upon for the underwriters by Latham & Watkins LLP, Menlo Park, California.

#### EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our financial statements at December 31, 2018 and 2019, and for each of the two years in the period ended December 31, 2019, as set forth in their report. We've included our financial statements in the prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

#### WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1, including exhibits and schedules, under the Securities Act, with respect to the shares of common stock being offered by this prospectus. This prospectus, which constitutes part of the registration statement, does not contain all of the information in the registration statement and its exhibits. For further information with respect to us and the common stock offered by this prospectus, we refer you to the registration statement and its exhibits. Statements contained in this prospectus as to the contents of any contract or any other document referred to are not necessarily complete, and in each instance, we refer you to the copy of the contract or other document filed as an exhibit to the registration statement. Each of these statements is qualified in all respects by this reference.

You may read our SEC filings, including this registration statement, over the Internet at the SEC's website at [www.sec.gov](http://www.sec.gov). Upon the closing of this offering, we will be subject to the information reporting requirements of the Exchange Act and we will file reports, proxy statements and other information with the SEC. These reports, proxy statements and other information will be available for review on the web site of the SEC referred to above. We also maintain a website at [www.kronosbio.com](http://www.kronosbio.com), at which, following the completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on or accessible through our website is not a part of this prospectus or the registration statement of which it forms a part, and the inclusion of our website address in this prospectus is an inactive textual reference only.

KRONOS BIO, INC.  
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## Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Kronos Bio, Inc.

### Opinion on the Financial Statements

We have audited the accompanying balance sheets of Kronos Bio, Inc. (the Company) as of December 31, 2018 and 2019, and the related statements of operations and comprehensive loss, statements of convertible preferred stock and stockholders' deficit and cash flows for each of the two years in the period ended December 31, 2019, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2018 and 2019, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2019, in conformity with U.S. generally accepted accounting principles.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's 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 in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the 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 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 financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2019.  
San Jose, California  
July 31, 2020

KRONOS BIO, INC.

Balance Sheets

(in thousands, except share and per share amounts)

	December 31, 2018	December 31, 2019	June 30, 2020	Pro forma June 30, 2020 (unaudited)
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 10,226	\$ 32,570	\$ 37,966	\$ 37,966
Short-term investments	—	59,614	43,497	43,497
Prepaid and other current assets	315	1,119	1,077	1,077
Total current assets	10,541	93,303	82,540	82,540
Long-term investments	—	4,762	—	—
Property and equipment, net	1,085	3,721	5,781	5,781
Operating lease right-of-use assets	715	473	29,488	29,488
Restricted cash	—	—	2,026	2,026
Other noncurrent assets	273	427	699	699
Total assets	<u>\$ 12,614</u>	<u>\$ 102,686</u>	<u>\$ 120,534</u>	<u>\$ 120,534</u>
<b>Liabilities, convertible preferred stock and stockholders' equity (deficit)</b>				
Current liabilities:				
Accounts payable	\$ 777	\$ 1,506	\$ 2,465	\$ 2,465
Accrued expenses	197	818	843	843
Current portion of operating lease liabilities	248	285	2,166	2,166
Current portion of other liabilities	89	88	713	713
Total current liabilities	1,311	2,697	6,187	6,187
Noncurrent operating lease liabilities	493	211	28,509	28,509
Other noncurrent liabilities	121	74	912	912
Total liabilities	1,925	2,982	35,608	35,608
Commitments and contingencies (Note 13)				
Convertible preferred stock, \$0.001 par value; 7,850,000, 21,506,977 and 21,506,977 shares authorized as of December 31, 2018 and 2019 and June 30, 2020 (unaudited), respectively; 7,806,977, 21,504,893 and 21,504,893 shares issued and outstanding as of December 31, 2018 and 2019 and June 30, 2020 (unaudited), respectively, actual; no shares issued and outstanding, pro forma (unaudited); \$18,016, \$123,016 and \$123,016 liquidation preference as of December 31, 2018 and 2019 and June 30, 2020 (unaudited), respectively				
	17,985	122,907	122,907	—
Stockholders' equity:				
Common stock, \$0.001 par value; 20,000,000, 40,000,000 and 40,000,000 shares authorized as of December 31, 2018 and 2019 and June 30, 2020 (unaudited), respectively; 4,707,334, 5,365,313 and 5,641,763 shares issued and outstanding at December 31, 2018, 2019 and June 30, 2020 (unaudited), respectively, actual; 27,146,656 shares issued and outstanding, pro forma (unaudited), respectively				
	5	5	6	27
Additional paid-in capital	44	272	885	123,771
Accumulated deficit	(7,345)	(23,462)	(39,036)	(39,036)
Accumulated other comprehensive loss	—	(18)	164	164
Total stockholders' equity (deficit)	(7,296)	(23,203)	(37,981)	84,926
Total liabilities, convertible preferred stock and stockholders' equity (deficit)	<u>\$ 12,614</u>	<u>\$ 102,686</u>	<u>\$ 120,534</u>	<u>\$ 120,534</u>

The accompanying notes are an integral part of these financial statements.



KRONOS BIO, INC.

Statements of Operations and Comprehensive Loss

(in thousands, except share and per share amounts)

	Year Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
			(unaudited)	
Operating expenses:				
Research and development	\$ 5,033	\$ 13,446	\$ 5,172	\$ 13,370
General and administrative	1,612	3,370	1,465	2,777
Total operating expenses	6,645	16,816	6,637	16,147
Loss from operations	(6,645)	(16,816)	(6,637)	(16,147)
Interest income (expense), net	(76)	699	(2)	573
Net loss	(6,721)	(16,117)	(6,639)	(15,574)
Other comprehensive income (loss):				
Net unrealized gain (loss) on available-for-sale securities	—	(18)	—	182
Net comprehensive loss	\$ (6,721)	\$ (16,135)	\$ (6,639)	\$ (15,392)
Net loss per share, basic and diluted	\$ (1.46)	\$ (3.22)	\$ (1.38)	\$ (2.85)
Weighted-average shares of common stock, basic and diluted	4,604,254	5,003,528	4,823,273	5,463,891
Pro forma net loss per share, basic and diluted (unaudited)		\$ (0.81)		\$ (0.58)
Pro forma weighted average shares of common stock, basic and diluted (unaudited)		19,811,235		26,968,784

The accompanying notes are an integral part of these financial statements.

KRONOS BIO, INC.

Statements of Convertible Preferred Stock and Stockholders' Equity (Deficit)

(in thousands, except share and per share data)

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
<b>Balance at December 31, 2017</b>	—	\$ —	4,592,000	\$ 5	9	\$ —	(624)	\$ (610)
Proceeds from common stockholder	—	—	—	—	4	—	—	4
Issuance of common stock upon vesting and exercise of options and vesting of restricted stock	—	—	115,334	—	1	—	—	1
Stock-based compensation expense	—	—	—	—	30	—	—	30
Issuance of Series Seed convertible preferred stock at \$2.31 per share, net of issuance costs of \$31	7,806,977	17,985	—	—	—	—	—	—
Net loss	—	—	—	—	—	—	(6,721)	(6,721)
<b>Balance at December 31, 2018</b>	7,806,977	17,985	4,707,334	5	44	—	(7,345)	(7,296)
Issuance of common stock upon vesting and exercise of options and vesting of restricted stock	—	—	657,979	—	115	—	—	115
Stock-based compensation expense	—	—	—	—	113	—	—	113
Issuance of Series A convertible preferred stock at \$7.67 per share, net of issuance costs of \$78	13,697,916	104,922	—	—	—	—	—	—
Net unrealized loss on available-for-sale securities	—	—	—	—	—	(18)	—	(18)
Net loss	—	—	—	—	—	—	(16,117)	(16,117)
<b>Balance at December 31, 2019</b>	21,504,893	122,907	5,365,313	5	272	(18)	(23,462)	(23,203)
Issuance of common stock upon exercises of options and vesting of restricted shares (unaudited)	—	—	276,450	1	132	—	—	133
Stock-based compensation expense (unaudited)	—	—	—	—	481	—	—	481
Net unrealized gain on available-for-sale investments (unaudited)	—	—	—	—	—	182	—	182
Net loss (unaudited)	—	—	—	—	—	—	(15,574)	(15,574)
<b>Balance at June 30, 2020 (unaudited)</b>	21,504,893	122,907	5,641,763	6	885	164	(39,036)	(37,981)
Conversion of Series Seed and Series A convertible preferred stock upon completion of initial public offering (unaudited)	(21,504,893)	(122,907)	21,504,893	21	122,886	—	—	122,907
<b>Pro forma balance at June 30, 2020 (unaudited)</b>	—	\$ —	27,146,656	\$ 27	\$ 123,771	\$ 164	\$ (39,036)	\$ 84,926

The accompanying notes are an integral part of these financial statements.

KRONOS BIO, INC.

Statements of Convertible Preferred Stock and Stockholders' Equity (Deficit)

(in thousands, except share and per share data)

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount			
<b>Balance at December 31, 2018</b>	7,806,977	17,985	4,707,334	5	44	(7,345)	(7,296)
Issuance of common stock upon vesting and exercise of options and vesting of restricted stock (unaudited)	—	—	394,261	—	46	—	46
Stock-based compensation expense (unaudited)	—	—	—	—	37	—	37
Issuance of Series A convertible preferred stock at \$7.67 per share, net of issuance costs of \$70 (unaudited)	7,142,488	54,680	—	—	—	—	—
Net loss (unaudited)	—	—	—	—	—	(6,639)	(6,639)
<b>Balance at June 30, 2019 (unaudited)</b>	<u>14,949,465</u>	<u>\$ 72,665</u>	<u>5,101,595</u>	<u>\$ 5</u>	<u>\$ 127</u>	<u>\$ (13,984)</u>	<u>\$ (13,852)</u>

The accompanying notes are an integral part of these financial statements.

**KRONOS BIO, INC.**  
**Statements of Cash Flows**  
(in thousands)

	Year Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
	(unaudited)			
<b>Cash flows from operating activities:</b>				
Net loss	\$ (6,721)	\$ (16,117)	\$ (6,639)	\$ (15,574)
Adjustments to reconcile net loss to cash used in operating activities:				
Depreciation and amortization	91	356	125	343
Net amortization/accretion on available-for-sale securities	—	(4)	—	64
Change in accrued interest on available-for-sale securities	—	45	—	48
Stock-based compensation expense	30	113	37	481
Noncash lease expense	69	249	120	1,016
Changes in operating assets and liabilities:				
Prepaid expenses and other current assets	5	(607)	(112)	(32)
Other long-term assets	(247)	(153)	(153)	(272)
Accounts payable	(28)	716	24	294
Accrued expenses	193	620	77	26
Right-of-use operating assets and liabilities, net	(43)	(252)	(119)	148
Other liabilities	210	(48)	(14)	1,462
Net cash used in operating activities	(6,441)	(15,082)	(6,654)	(11,996)
<b>Cash flows from investing activities:</b>				
Purchase of property and equipment	(1,075)	(2,948)	(852)	(1,721)
Purchase of available-for-sale securities	—	(64,633)	—	(8,158)
Maturities of available-for-sale securities	—	—	—	29,180
Net cash provided by (used in) investing activities	(1,075)	(67,581)	(852)	19,301
<b>Cash flows from financing activities:</b>				
Principal payments on finance lease	(72)	(30)	(15)	(16)
Proceeds from issuance of common stock	5	115	46	133
Proceeds from issuance of preferred stock, net of issuance costs	16,285	104,922	54,750	—
Net cash provided by financing activities	16,218	105,007	54,781	117
<b>Net increase in cash and cash equivalents</b>	<b>8,702</b>	<b>22,344</b>	<b>47,275</b>	<b>7,422</b>
<b>Cash, cash equivalents and restricted cash at the beginning of period</b>	<b>1,524</b>	<b>10,226</b>	<b>10,226</b>	<b>32,570</b>
<b>Cash, cash equivalents and restricted cash at the end of period</b>	<b>\$ 10,226</b>	<b>\$ 32,570</b>	<b>\$ 57,501</b>	<b>\$ 39,992</b>
Supplemental disclosure of non-cash activities:				
Property and equipment additions included in accounts payable and accrued expenses	\$ 104	\$ 116	\$ 14	\$ 782
Property and equipment obtained in exchange for finance lease liability	\$ 139	\$ —	\$ —	\$ —
Right-of-use asset obtained in exchange for operating lease liability	\$ 810	\$ 4	\$ 4	\$ 30,031
Preferred stock issuance costs in accounts payable and accrued expenses	\$ —	\$ —	\$ 70	\$ —
Issuance of convertible preferred stock upon conversion of convertible notes	\$ 1,700	\$ —	\$ —	\$ —

*The accompanying notes are an integral part of these financial statements.*

## 1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Kronos Bio, Inc. (Kronos or the Company), a Delaware corporation, was incorporated on June 2, 2017. The Company is a clinical-stage biopharmaceutical company dedicated to the discovery and development of novel cancer therapeutics designed to transform patient outcomes through a precision medicine strategy by targeting dysregulated transcription.

The Company operates in one business segment, the development of biopharmaceutical products.

### **Basis of Presentation**

The accompanying Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

### **Need for Additional Capital**

The Company has sustained operating losses and expects to continue to generate operating losses for the foreseeable future. The Company's ultimate success depends on the outcome of its research and development activities. The Company had cash, cash equivalents and short-term investments of \$92.2 million and \$81.5 million as of December 31, 2019 and June 30, 2020, respectively. Since inception through December 31, 2019 and June 30, 2020, the Company has incurred cumulative net losses of \$23.5 million and \$39.0 million, respectively. Management expects to incur additional losses in the future to fund its operations and conduct product research and development and recognizes the need to raise additional capital to fully implement its business plan.

The Company intends to raise such additional capital through the issuance of public or private equity or debt financings or other capital sources, which may include strategic collaborations or other arrangements with third parties. However, if such financing is not available at adequate levels, the Company will need to reevaluate its operating plan and may be required to significantly delay, scale back or discontinue the development or commercialization of one or more of its product candidates. Management believes that there are no conditions or events, in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a period of at least one year from the date these financial statements are issued. The Company expects that its cash and cash equivalents as of June 30, 2020 and amounts received in August 2020 from the sale of its convertible notes (see Note 18) will be sufficient to fund its operations at least one year after the issuance date of these financial statements.

## 2. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

### **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Significant estimates and assumptions reflected in these financial statements include, but are not limited to, the accrual of research and development expenses, the fair value of investments, income tax uncertainties, the valuation of equity instruments and the incremental borrowing rate for determining the operating lease assets and liabilities. Estimates are periodically reviewed in light of changes in circumstances, facts and experience. Actual results could differ from the Company's estimates.

The full extent to which the COVID-19 pandemic will directly or indirectly impact the Company's business, results of operations and financial condition, including expenses, clinical trials and research and development costs, will depend on future developments that are highly uncertain, including as a result of

new information that may emerge concerning COVID-19 and the actions taken to contain or treat COVID-19, as well as the economic impact on local, regional, national and international markets.

***Unaudited Interim Financial Information***

The accompanying balance sheet as of June 30, 2020, the statements of operations and comprehensive loss and of cash flows for the six months ended June 30, 2019 and 2020, and the statements of convertible preferred stock and stockholders' equity (deficit) for the six months ended June 30, 2019 and 2020 are unaudited. The unaudited interim financial statements have been prepared on a basis consistent with the Company's audited annual financial statements and, in the opinion of management, reflect all adjustments, consisting solely of normal recurring adjustments, necessary for the fair presentation of the Company's financial position as of June 30, 2020 and the results of its operations and cash flows for the six months ended June 30, 2019 and 2020. The financial data and other information disclosed in these notes related to the six months ended June 30, 2019 and 2020 are unaudited. The results for the six months ended June 30, 2020 are not necessarily indicative of results to be expected for the year ending December 31, 2020, any other interim periods, or any future year or period.

***Unaudited Pro Forma Information***

The accompanying unaudited pro forma balance sheet and statement of convertible preferred stock and stockholders' equity (deficit) as of June 30, 2020 have been prepared to give effect to the automatic conversion of all outstanding shares of the Company's convertible preferred stock into an aggregate of 21,504,893 shares of its common stock as if the Company's proposed initial public offering had occurred on June 30, 2020.

In the accompanying statements of operations and comprehensive loss, unaudited pro forma basic and diluted net loss per share for the year ended December 31, 2019 and the six months ended June 30, 2020 have been prepared to give effect to the conversion of all outstanding shares of the Company's convertible preferred stock into shares of its common stock as if the Company's proposed initial public offering had occurred on the later of the first day of the period presented or the issuance date of the convertible preferred stock. The shares of common stock issuable and the proceeds expected to be received in the proposed initial public offering are excluded from such pro forma financial information.

***Research and Development Expenses***

Research and development (R&D) expenses consist primarily of personnel costs, including salaries, benefits and stock-based compensation, discovery research performed by contract research organizations (CROs), materials and supplies, licenses and fees and overhead allocations consisting of various support and facility-related costs. We expense R&D costs as the services are performed or the goods are received. CRO costs are a significant component of R&D expenses. We monitor levels of performance under each significant contract through communications with our CROs. We accrue costs for discovery research performed by CROs over the service periods specified in the contracts and adjust our estimates, if required, based upon our ongoing review of the level of effort and costs actually incurred by the CROs. All of our material CRO contracts are terminable by us upon written notice and we are generally only liable for actual services completed by the CRO and certain non-cancellable expenses incurred at any point of termination.

**Cash and Cash Equivalents**

The Company considers all highly liquid investments with an original maturity of three months or less from the date of purchase to be cash equivalents.

**Restricted Cash**

The Company had deposited cash of \$2.0 million as of June 30, 2020 to secure a letter of credit in connection with the lease of the 301 Binney facility (see Note 15). The Company has classified the restricted cash as a noncurrent asset on its balance sheets.

**Concentration of Credit Risk and Other Risks and Uncertainties**

Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist primarily of cash and cash equivalents and investments. The primary objectives for the Company's investment portfolio are the preservation of capital and the maintenance of liquidity. The Company does not enter into any investment transaction for trading or speculative purposes.

The Company's investment policy limits investments to certain types of instruments such as certificates of deposit, money market instruments, obligations issued by the U.S. government and U.S. government agencies as well as corporate debt securities, and places restrictions on maturities and concentration by type and issuer. The Company maintains cash balances in excess of amounts insured by the FDIC and concentrated within a limited number of financial institutions. The accounts are monitored by management and management believes that the financial institutions are financially sound, and, accordingly, minimal credit risk exists with respect to these financial institutions. As of December 31, 2018 and 2019 and June 30, 2020, the Company has not experienced any credit losses in such accounts or investments.

The Company is subject to a number of risks common for biopharmaceutical companies, including, but not limited to, dependency on the clinical and commercial success of its product candidates, ability to obtain regulatory approval of its product candidates, the need for substantial additional financing to achieve its goals, uncertainty of broad adoption of its approved products, if any, by physicians and patients, significant competition, and untested manufacturing capabilities.

**Investments**

Investments are available-for-sale and are carried at estimated fair value. The Company's valuations of available-for-sale securities are generally derived from independent pricing services based upon quoted prices in active markets for similar securities, with prices adjusted for yield and number of days to maturity, or based on industry models using data inputs, such as interest rates and prices that can be directly observed or corroborated in active markets. Management determines the appropriate classification of its investments in debt securities at the time of purchase. Investments with original maturities beyond three months at the date of purchase and which mature at, or less than 12 months from, the balance sheet date are classified as short-term investments.

Unrealized gains and losses are excluded from earnings and are reported as a component of comprehensive loss. The Company periodically evaluates whether declines in fair values of its available-for-sale securities below their book value are other-than-temporary. This evaluation consists of several qualitative and quantitative factors regarding the severity and duration of the unrealized loss as well as the Company's ability and intent to hold the available-for-sale security until a forecasted recovery occurs. Additionally, the Company assesses whether it has plans to sell the security or it is more likely than not that it will be required to sell any available-for-sale securities before recovery of its amortized cost basis. Realized gains and losses and declines in fair value judged to be other than temporary, if any, on available-for-sale securities are included in interest income (expense), net. The cost of investments sold

is based on the specific-identification method. Interest income on investments is included in interest income (expense), net on the Company's statements of operations and comprehensive loss.

**Fair Value Measurement**

Assets and liabilities recorded at fair value on a recurring basis in the balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair values. Fair 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.

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 is stated at cost less accumulated depreciation and amortization. Depreciation and amortization are recognized using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are amortized over the lesser of their useful lives or the remaining life of the lease. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation and amortization are removed from the balance sheet and the resulting gain or loss is reflected in operations in the period realized. Repairs and maintenance costs are expensed as incurred.

Estimated useful lives in years are generally as follows:

Description	Estimated Useful Life
Lab equipment	3 to 7 years

**Leases**

The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, current portion of operating lease liabilities, and noncurrent operating lease liabilities on the Company's balance sheet. Finance leases are included in property and equipment, current portion of other liabilities, and other noncurrent liabilities on the balance sheet.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments and initial direct costs incurred, net of lease incentives. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company elected to exclude from its balance sheets recognition of leases having a term of 12 months or



less (short-term leases) and elected to not separate lease components and non-lease components for its long-term real-estate leases.

**Impairment of Long-Lived Assets**

Long-lived assets, including property and equipment, are reviewed for impairment whenever facts or circumstances either internally or externally may suggest that the carrying value of an asset or asset group may not be recoverable. Should there be an indication of impairment, the Company tests for recoverability by comparing the estimated undiscounted future cash flows expected to result from the use of the asset or asset group and its eventual disposition to the carrying amount of the asset or asset group. Any excess of the carrying value of the asset or asset group over its estimated fair value is recognized as an impairment loss.

**Stock-Based Compensation**

The Company measures stock-based awards granted to employees and nonemployees based on the fair value on the date of the grant and recognizes stock-based compensation expense of those awards over the requisite service period, which is generally the vesting period of the respective award. The Company calculates the fair value measurement of stock options using the Black-Scholes option-pricing model. Forfeitures are accounted for as they occur. As of December 31, 2018 and 2019 and June 30, 2020, the Company has only issued stock options with service-based vesting conditions and records the expense for these awards using the straight-line method.

**Income Taxes**

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on differences between the financial statement carrying amounts and the tax bases of the assets and liabilities using the enacted tax rates in effect in the years in which the differences are expected to reverse. A valuation allowance against deferred tax assets is recorded if, based on the weight of the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company accounts for uncertainty in income taxes recognized in the financial statements by applying a two-step process to determine the amount of tax benefit to be recognized. First, the tax position must be evaluated to determine the likelihood that it will be sustained upon external examination by the taxing authorities. If the tax position is deemed more-likely-than-not to be sustained, the tax position is then assessed to determine the amount of benefit to recognize in the financial statements. The amount of the benefit that may be recognized is the largest amount that has a greater than 50% likelihood of being realized upon ultimate settlement. The provision for income taxes includes the effects of any resulting tax reserves, or unrecognized tax benefits, that are considered appropriate as well as the related net interest and penalties.

**Comprehensive Loss**

Comprehensive loss includes net loss as well as other changes in stockholders' equity (deficit) that result from transactions and economic events other than those with stockholders. For the year ended December 31, 2019 and the six months ended June 30, 2020, other comprehensive loss consisted of unrealized gains and losses from available-for-sale securities. There was no difference between net loss and comprehensive loss for the year ended December 31, 2018 and the six months ended June 30, 2019.

**Net Loss Per Share**

Basic net loss per share is computed using the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share is computed using the sum of the weighted-

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average number of shares of common stock outstanding during the period and the effect of dilutive securities.

In periods in which the Company reports a net loss, diluted net loss per share is the same as basic net loss per share, since dilutive shares of common stock are not assumed to have been issued if their effect is anti-dilutive.

**Recently Adopted Accounting Pronouncements**

In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-13, Fair Value Measurement (Topic 820) Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement (ASU 2018-13). The Company adopted ASU No. 2018-13 on January 1, 2019. This standard modifies certain disclosure requirements on fair value measurements. The adoption of this standard did not have a material impact on the Company's financial statements.

In June 2018, the FASB issued ASU No. 2018-07, *Improvements to Nonemployee Share-Based Payment Accounting* (ASU 2018-07). The new standard involves 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 on the statement of cash flows. Early adoption is permitted for any entity in any interim or annual period for which financial statements have not been issued or made available for issuance, but not before an entity adopts Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*. The Company elected to early adopt ASU 2018-07 on January 1, 2018 and has reflected the adoption in its financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842) Section A—Leases: Amendments to the FASB Accounting Standards Codification* (ASU 2016-02 or ASC 842). The new standard revised guidance related to leases to increase transparency and comparability among organizations by requiring the recognition of ROU assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Company elected to early adopt the standard effective January 1, 2018 and elected the available practical expedients on adoption.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows, Restricted Cash* (ASU 2016-18). This ASU requires changes in restricted cash during the period to 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. If cash, cash equivalents and restricted cash are presented in more than one line item on the balance sheet, the new guidance requires a reconciliation of the total in the statement of cash flows to the related captions in the balance sheet. The Company elected to adopt ASU 2016-18 on January 1, 2019 and has reflected the adoption in its financial statements. A reconciliation of the cash, cash equivalents, and restricted cash reported within the balance sheet that sum to the total of the same amounts shown in the statement of cash flows is as follows:

	December 31,		June 30,	
	2018	2019	2019	2020
	(in thousands)			
Cash and cash equivalents	\$ 10,226	\$ 32,570	\$ 57,501	\$ 37,966
Restricted cash	—	—	—	2,026
Total cash, cash equivalents and restricted cash as shown on the consolidated statements of cash flows	<u>\$ 10,226</u>	<u>\$ 32,570</u>	<u>\$ 57,501</u>	<u>\$ 39,992</u>

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In addition, the Company adopted ASU No 2016-15, *Statement of Cash Flow* (ASU 2016-15) in 2019. The guidance reduces diversity in how certain cash receipts and cash payments are presented and classified in the statements of cash flows. The adoption of ASU 2016-15 did not have a material impact on the Company's financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses: Measurement of Credit Losses on Financial Instruments* and also issued subsequent amendments to the initial guidance: ASU 2018-19, ASU 2019-04, ASU 2019-05, and ASU 2019-11. The standard requires measurement and recognition of expected credit losses for financial assets by requiring an allowance to be recorded as an offset to the amortized cost of such assets. For available-for-sale debt securities, expected credit losses should be estimated when the fair value of the debt securities is below their associated amortized costs. The standard will become effective for the Company in the first quarter of 2020, with early adoption permitted beginning the first quarter of 2019. The modified retrospective approach should be applied upon adoption of this new guidance. The Company's financial instruments that are in the scope of ASU 2016-13 include available-for-sale debt securities. The Company adopted this standard on January 1, 2020 and this amendment did not have a material impact on its financial statements.

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* (ASU 2019-12), which simplifies the accounting for income taxes, eliminates certain exceptions within ASC 740, *Income Taxes*, and clarifies certain aspects of the current guidance to promote consistency among reporting entities. This guidance will be effective for the Company in the first quarter of 2021 on a prospective basis, and early adoption is permitted. The Company has adopted this standard as of January 1, 2020, which did not have a material impact on its financial statements.

**3. FAIR VALUE MEASUREMENTS**

The Company follows authoritative accounting guidance, which among other things, defines fair value, establishes a consistent framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or nonrecurring basis. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability.

The Company measures and reports its cash equivalents and investments at fair value.

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Financial assets subject to fair value measurements on a recurring basis and the level of inputs used in such measurements by major security type as of December 31, 2019 and June 30, 2020 were as follows:

	December 31, 2019			
	Level 1	Level 2	Level 3	Fair Value
	(in thousands)			
<b>Financial Assets:</b>				
Money market funds	\$ 112	\$ —	\$ —	\$ 112
Certificates of deposit	1,715	—	—	1,715
Commercial paper	—	4,489	—	4,489
Corporate bonds	—	26,432	—	26,432
U.S. agency securities	—	1,499	—	1,499
U.S. treasury securities	36,880	—	—	36,880
Total financial assets	<u>\$ 38,707</u>	<u>\$ 32,420</u>	<u>\$ —</u>	<u>\$ 71,127</u>
<b>June 30, 2020</b>				
	Level 1	Level 2	Level 3	Fair Value
	(unaudited)			
	(in thousands)			
<b>Financial Assets:</b>				
Money market funds	\$ 32,332	\$ —	\$ —	\$ 32,332
Certificates of deposit	1,238	—	—	1,238
Corporate bonds	—	16,704	—	16,704
U.S. treasury securities	25,555	—	—	25,555
Total financial assets	<u>\$ 59,125</u>	<u>\$ 16,704</u>	<u>\$ —</u>	<u>\$ 75,829</u>

The Company had no financial assets subject to fair value measurements at December 31, 2018 and June 30, 2019.

The carrying amounts of accounts payable and accrued expenses approximate their fair values due to their short-term maturities. The Company's Level 2 securities are valued using third-party pricing sources. The pricing services utilize industry standard valuation models, including both income- and market-based approaches, for which all significant inputs are observable, either directly or indirectly.

The Company did not have any financial assets or liabilities during any of the periods presented in the accompanying financial statements that required Level 3 inputs. There were no transfers of assets between the fair value measurement levels during any of the periods presented in the accompanying financial statements.

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**4. INVESTMENTS**

The fair value and amortized cost of available-for-sale securities by major security type as of December 31, 2019 and June 30, 2020 were as follows:

	December 31, 2019				
	Amortized Cost	Unrealized Gains		Unrealized Losses	Fair Value
	(in thousands)				
Money market funds	\$ 112	\$ —	\$ —	\$ —	\$ 112
Certificates of deposit	1,715	—	—	—	1,715
Commercial paper	4,490	—	(1)	(1)	4,489
Corporate bonds	26,444	1	(13)	(13)	26,432
U.S. agency securities	1,500	—	(1)	(1)	1,499
U.S. treasury securities	36,884	1	(5)	(5)	36,880
<b>Total cash equivalents and investments</b>	<b>\$ 71,145</b>	<b>\$ 2</b>	<b>\$ (20)</b>	<b>\$ (20)</b>	<b>\$ 71,127</b>

	June 30, 2020				
	Amortized Cost	Unrealized Gains		Unrealized Losses	Fair Value
	(unaudited)				
	(in thousands)				
Money market funds	\$ 32,332	\$ —	\$ —	\$ —	\$ 32,332
Certificates of deposit	1,225	13	—	—	1,238
Corporate bonds	16,649	55	—	—	16,704
U.S. treasury securities	25,459	96	—	—	25,555
<b>Total cash equivalents and investments</b>	<b>\$ 75,665</b>	<b>\$ 164</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 75,829</b>

These available-for-sale securities were classified on the Company's balance sheets as of December 31, 2019 and June 30, 2020 as:

	Fair Value	
	December 31, 2019	June 30, 2020
	(in thousands)	
	(unaudited)	
Cash equivalents	\$ 6,751	\$ 32,332
Short-term investments	59,614	43,497
Long-term investments	4,762	—
<b>Total cash equivalents and investments</b>	<b>\$ 71,127</b>	<b>\$ 75,829</b>

The Company had no available-for-sale securities as of December 31, 2018 and June 30, 2019.

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The fair values of available-for-sale debt investments by contractual maturity as of December 31, 2019 and June 30, 2020 were as follows:

	December 31, 2019	June 30, 2020
	(in thousands)	
		(unaudited)
Due in 1 year or less	\$ 66,253	\$ 43,497
Due in 1 to 2 years	4,762	—
Instruments not due at a single maturity date	112	32,332
Total cash equivalents and investments	<u>\$ 71,127</u>	<u>\$ 75,829</u>

As of December 31, 2019 and June 30, 2020, the remaining contractual maturities of available-for-sale securities were less than 18 months and 12 months, respectively. There have been no significant realized losses on available-for-sale securities for any of the periods presented in the accompanying financial statements. Based on the Company's review of its available-for-sale securities, the Company believes that it had no other-than-temporary impairments on these securities as of December 31, 2019 and June 30, 2020 because the Company does not intend to sell these securities nor does it believe that it will be required to sell these securities before the recovery of their amortized cost basis. Gross realized gains and gross realized losses were immaterial for any of the periods presented in the accompanying financial statements.

**5. PREPAID EXPENSES AND OTHER CURRENT ASSETS**

Prepaid expenses and other current assets consisted of the following as of December 31, 2018 and 2019 and June 30, 2020:

	December 31,		June 30, 2020
	2018	2019	(unaudited)
	(in thousands)		
Accrued interest on short-term available-for-sale securities	\$ —	\$ 198	\$ 174
Prepaid equipment service contracts	24	191	305
Prepaid external research and development	—	113	28
Prepaid software	131	180	433
Prepaid insurance	16	23	13
Prepaid rent	132	196	14
Other prepaid expenses	12	218	110
Total prepaid expenses and other current assets	<u>\$ 315</u>	<u>\$ 1,119</u>	<u>\$ 1,077</u>

**6. PROPERTY AND EQUIPMENT, NET**

Property and equipment, net consisted of the following as of December 31, 2018 and 2019 and June 30, 2020:

	December 31,		June 30, 2020 (unaudited)
	2018	2019	
	(in thousands)		
Property and equipment:			
Lab equipment	\$ 1,037	\$ 3,978	\$ 4,863
Finance lease on R&D equipment	139	139	139
Construction in progress	—	50	1,568
Total property and equipment	1,176	4,167	6,570
Less: Accumulated depreciation and amortization	(91)	(446)	(789)
Total property and equipment, net	<u>\$ 1,085</u>	<u>\$ 3,721</u>	<u>\$ 5,781</u>

Depreciation and amortization expense was \$0.1 million, \$0.4 million, \$0.1 million and \$0.3 million for the years ended December 31, 2018 and 2019, and the six months ended June 30, 2019 and 2020, respectively.

**7. ACCRUED EXPENSES AND CURRENT PORTION OF OTHER LIABILITIES**

Accrued expenses consisted of the following as of December 31, 2018 and 2019 and June 30, 2020:

	December 31,		June 30, 2020 (unaudited)
	2018	2019	
	(in thousands)		
Accrued compensation	\$ 165	\$ 528	\$ 690
Accrued franchise tax	9	43	25
External research and development	23	241	128
Other accrued expenses	—	6	—
Total accrued expenses	<u>\$ 197</u>	<u>\$ 818</u>	<u>\$ 843</u>

Current portion of other liabilities consist of the following as of December 31, 2018 and 2019 and June 30, 2020:

	December 31,		June 30, 2020 (unaudited)
	2018	2019	
	(in thousands)		
Current portion of finance lease liability	\$ 30	\$ 32	\$ 22
Current portion of unvested early exercised share liability	59	56	691
Total current portion of other current liabilities	<u>\$ 89</u>	<u>\$ 88</u>	<u>\$ 713</u>

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**8. PREFERRED STOCK**

As of each balance sheet date, the Preferred Stock (as defined below) consisted of the following as of December 31, 2018 and 2019 and June 30, 2020:

	December 31, 2018				
	Preferred	Preferred	Carrying	Liquidation	Common
	(in thousands, except share amounts)				
Series Seed Preferred Stock	7,850,000	7,806,977	\$ 17,985	\$ 18,016	7,806,977
Total	7,850,000	7,806,977	\$ 17,985	\$ 18,016	7,806,977
	December 31, 2019				
	Preferred Stock Authorized	Preferred	Carrying	Liquidation	Common
	(in thousands, except share amounts)				
Series Seed Preferred Stock	7,806,977	7,806,977	\$ 17,985	\$ 18,016	7,806,977
Series A Preferred Stock	13,700,000	13,697,916	104,922	105,000	13,697,916
Total	21,506,977	21,504,893	\$ 122,907	\$ 123,016	21,504,893
	June 30, 2020				
	Preferred Stock Authorized	Preferred	Carrying	Liquidation	Common
	(unaudited)				
	(in thousands, except share amounts)				
Series Seed Preferred Stock	7,806,977	7,806,977	\$ 17,985	\$ 18,016	7,806,977
Series A Preferred Stock	13,700,000	13,697,916	104,922	105,000	13,697,916
Total	21,506,977	21,504,893	\$ 122,907	\$ 123,016	21,504,893

**Series Seed**

On May 22, 2018, the Company completed a private placement (Series Seed Financing) in which it issued an aggregate of 7,806,977 shares of its Series Seed Convertible Preferred Stock (Series Seed Preferred Stock) for aggregate gross proceeds of \$18.0 million. The Series Seed Financing consisted of (i) the issuance by the Company of 4,983,330 shares of its Series Seed Preferred Stock at a purchase price of \$2.30769 per share, for gross proceeds of \$11.5 million less issuance costs of \$31,000, and (ii) upon the closing of the Series Seed Financing, the issuance by the Company of 2,823,647 shares of its Series Seed Preferred Stock also at a price of \$2.30769 per share. These additional shares were issued by the Company as a result of the conversion of an aggregate \$6.4 million principal amount of then outstanding convertible notes that were originally issued in 2017 and 2018 (the Convertible Notes), as well as the conversion of \$76,000 of related accrued interest.

In connection with the Series Seed Financing, for so long as at least 3,903,488 shares of the Series Seed Preferred Stock remain outstanding, the holders of the Series Seed Preferred Stock voting as a separate class shall have the right to elect two directors to the Company's board of directors (Board of Directors), one of which shall be designated by Omega Cambridge SPV, LP and the other by the remaining holders of Series Seed Preferred Stock. Moreover, for so long as at least 3,903,488 shares of



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the Series Seed Preferred Stock remain outstanding, the affirmative vote of at least two-thirds of the shares of Series Seed Preferred Stock then outstanding is required for the Company to take certain corporate actions. The holders of Series Seed Preferred Stock are entitled to payment of all accrued dividends prior to the payment of any dividends to the holders of common stock.

The Series Seed Preferred Stock contains certain fundamental change provisions that allow the holder to redeem the Preferred Stock for cash only if certain events occur, such as a liquidation event. As redemption under these circumstances is not solely within the Company's control, the Company has classified its Series Seed Preferred Stock outside of stockholders' equity (deficit). The Company did not adjust the carrying values of the Preferred Stock to the liquidation values of such shares since a liquidation event was not probable at any of the reporting dates. Subsequent adjustments to increase or decrease the carrying values to the ultimate liquidation values will be made only if and when it becomes probable that such a liquidation event will occur.

**Series A**

On July 1, 2019, the Company completed a private placement (the Series A Financing) in which it issued 13,697,916 shares of its Series A Convertible Preferred Stock (Series A Preferred Stock) at a purchase price of \$7.6654 per share, for aggregate gross proceeds of \$105.0 million less issuance costs of \$78,000.

Along with the holders of the Company's common stock, the holders of the Series Seed Preferred Stock and the Series A Preferred Stock (collectively, the Preferred Stock) are entitled to one vote on all matters submitted to the holders of common stock for each share of common stock into which the Preferred Stock would be converted as of the record date for such vote based on the conversion ratio then in effect. In addition, the holders of the Preferred Stock are entitled to vote as a separate class with respect to any change in the rights of the Preferred Stock, any amendment to the Company's amended and restated certificate of incorporation, any increase in the number of shares of Preferred Stock, or the authorization, creation or issuance of any class or series of capital stock ranking senior to or of equal seniority with the Preferred Stock.

In connection with the Series A Financing, for so long as at least 6,848,958 shares of Series A Preferred Stock remain outstanding, the holders of the Series A Preferred Stock voting as a separate class shall have the right to elect two (2) directors to the Board of Directors. Moreover, for so long as at least 6,848,958 shares of Series A Preferred Stock remain outstanding, the affirmative vote of at least two-thirds of the Series A Preferred Stock then outstanding is required for the Company to take certain corporate actions. The holders of Series A Preferred Stock are entitled to payment of all accrued dividends prior to the payment of any dividends to the holders of common stock.

The Series A Preferred Stock contains certain fundamental change provisions that allow the holder to redeem the preferred stock for cash only if certain events occur, such as a liquidation event. As redemption under these circumstances is not solely within the Company's control, the Company has classified its Series A Preferred Stock outside of stockholders' equity (deficit). The Company did not adjust the carrying values of the Preferred Stock to the liquidation values of such shares since a liquidation event was not probable at any of the reporting dates. Subsequent adjustments to increase or decrease the carrying values to the ultimate liquidation values will be made only if and when it becomes probable that such a liquidation event will occur.

The holders of the Preferred Stock have various rights, preferences and privileges as follows:

*Optional Conversion Rights*

Each share of Preferred Stock shall be convertible, at the option of the holder, into such number of fully paid shares of the Company's common stock as is determined by dividing the original issuance price by the conversion price in effect at the time of conversion. As of December 31, 2019, the initial conversion

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price per share of Preferred Stock is equivalent to the original issue price. The original issuance price was \$2.30769 per share for the Series Seed Preferred Stock. The original issuance price was \$7.6654 per share for the Series A Preferred Stock. Based on the conversion ratios in effect as of December 31, 2019, the Series Seed Preferred Stock and Series A Preferred Stock will each convert on a one-for-one basis into shares of the Company's common stock. 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, 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.

*Mandatory Conversion Rights*

Each share of Preferred Stock automatically converts into the number of shares of the Company's common stock determined in accordance with the conversion rate upon any of the following: (i) written consent of the Requisite Preferred Majority, defined in the Company's amended and restated certificate of incorporation as (a) at least 60% of the outstanding shares of the Series Seed Preferred Stock, voting together as a single class, and (b) holders of at least 67% of the outstanding shares of Series A Preferred Stock or (ii) the closing of a public offering in which the gross cash proceeds are at least \$25.0 million.

*Dividends*

The holders of the outstanding shares of Preferred Stock are entitled to first receive, when and if declared by the Board of Directors, a dividend at least equal to the dividend payable on common stock as if all shares of Preferred Stock had been converted to common stock. No dividends had been declared by the Board of Directors as of December 31, 2019 and June 30, 2020.

*Liquidation*

In the event of any liquidation, dissolution, or winding up of the Company, either voluntary or involuntary, the holders of 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 greater of: (i) 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 or (ii) such amount per share as would have been payable had all shares of Preferred Stock been converted to common stock. If the assets and funds to be distributed among the holders of 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 Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive.

*Voting Rights*

Each share of 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 Seed Preferred Stock, exclusively and as a separate class, shall be entitled to elect two members of the Board of Directors. The holders of Series A Preferred Stock, exclusively and as a separate class, shall be entitled to elect two members of the Board of Directors. The holders of the Company's common stock have the right to elect two members of the Board of Directors. The holders of the Company's common stock and the Preferred Stock, voting together as a single class on an as-converted basis, are entitled to elect the balance of the total number of Board of Directors.

**9. COMMON STOCK**

Pursuant to the Company's amended and restated certificate of incorporation, filed on July 1, 2019, the Company is authorized to issue up to 40,000,000 shares of its common stock, par value \$0.001.

Each share of common stock entitles the holder to one vote on all matters submitted to a vote of the Company's stockholders. Subject to the rights of the Preferred Stock, holders of the Company's common stock are entitled to receive dividends, as may be declared by the Board of Directors.

## 10. STOCK-BASED COMPENSATION

### 2017 Equity Incentive Plan

The Company's 2017 Equity Incentive Plan, as amended (the 2017 Plan), provides that the Company may sell or issue shares of common stock or restricted common stock, or to grant incentive stock options or nonqualified stock options for the purchase of shares of common stock, to employees, members of the Board of Directors, and consultants of the Company. The exercise prices, vesting, and other restrictions are determined at the discretion of the Board of Directors, or a designated committee thereof, except that the exercise price per share of stock options may not be less than 100% of the fair market value of the common share on the date of grant and the term of stock option may not be greater than 10 years. The Company recognizes the impact of forfeitures on stock-based compensation expense as forfeitures occur. The Company applies the straight-line method of expense recognition to all awards with only service-based vesting conditions. Vesting periods are determined at the discretion of the Board of Directors. Stock options typically vest over four years. The maximum contractual term is 10 years.

As of December 31, 2019 and June 30, 2020, the total number of shares of the Company's common stock that may have been issued was 3,500,000 and 6,000,000 shares, respectively. As of December 31, 2019 and June 30, 2020, there were 1,294,445 and 1,866,394 shares, respectively, reserved by the Company under the 2017 Plan for the future issuance of equity awards.

### Stock Option Valuation

The Company estimates the fair value of each stock option grant on the date of grant using the Black-Scholes option-pricing model. This model requires the use of highly subjective assumptions to determine the fair value of stock-based awards, including:

- **Fair Value of Common Stock**—In order to determine the fair value of the Company's common stock underlying option grants, the Board of Directors considered, among other things, valuations of the Company's 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*. Other objective and subjective factors considered included the Company's stage of development and material risks related to its business, the progress of its research and development programs, its business conditions and projections, its financial position and its historical and forecasted performance and operating results, the lack of an active public market for its securities, its Preferred Stock, biopharmaceutical company performance, the likelihood of achieving a liquidity event, the hiring of key personnel and the experience of management, industry trends and developments, and external market conditions and industry trends.
- **Expected Term**—The expected term represents the period that the stock-based awards are expected to be outstanding. The Company uses the simplified method to determine the expected term, which is based on the average of the time-to-vesting and the contractual life of the options.
- **Expected Volatility**—Since the Company is not yet a public company and does not have any trading history for its common stock, the expected volatility is estimated based on the average historical volatilities of common stock of comparable publicly traded entities over a period equal to the expected term of the stock option grants. The comparable companies are chosen based on their size, stage in the product development cycle or area of specialty. The Company will continue to apply this process until a sufficient amount of historical information regarding the volatility of our own stock price becomes available.

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- **Risk-Free Interest Rate**—The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of grant for zero-coupon U.S. Treasury notes with maturities approximately equal to the expected term of the awards.
- **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.

The Black-Scholes option-pricing model assumptions that the Company used to determine the grant-date fair value of stock options for the years ended December 31, 2018 and 2019, and the six months ended June 30, 2019 and June 30, 2020, were as follows, presented on a weighted-average basis:

	Year Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
			(unaudited)	
Fair value of common stock per share	\$ 0.25	\$ 2.40	\$ 0.80	\$ 2.80
Expected term (in years)	6.08	6.07	6.07	5.99
Expected volatility	67.93 %	70.20 %	82.05 %	72.26 %
Risk-free interest rate	2.85 %	1.81 %	2.52 %	1.14 %
Expected dividend	— %	— %	— %	— %

The weighted-average grant-date fair value per share of stock options granted, using the assumptions listed above, was \$0.16, \$1.50, \$0.57, and \$1.79 for the years ended December 31, 2018 and 2019 and the six months ended June 30, 2019 and June 30, 2020, respectively. The weighted-average grant-date fair value per share of stock options vested was \$0.03, \$0.15, \$0.09, and \$0.24 for the years ended December 31, 2018 and 2019 and the six months ended June 30, 2019 and June 30, 2020, respectively.

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**Stock Options**

Stock option activity under the 2017 Plan as of December 31, 2019 and June 30, 2020 is summarized as follows:

	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Balance at December 31, 2018	1,437,271	\$ 0.25	9.41	\$ 3,484
Granted	761,200	2.40		
Forfeited	(6,250)	0.80		
Exercised	(555,979)	0.21		
Balance at December 31, 2019	<u>1,636,242</u>	<u>\$ 1.26</u>	<u>9.05</u>	<u>\$ 2,310</u>
Exercisable at December 31, 2019	19,368	\$ 0.95	8.79	\$ 33
Unvested and expected to vest at December 31, 2019	1,616,874	\$ 1.26	9.05	\$ 2,277
Balance at December 31, 2019	1,636,242	\$ 1.26	9.05	\$ 3,586
Granted (unaudited)	1,928,051	2.80		
Exercised (unaudited)	(225,450)	0.59		
Balance at June 30, 2020 (unaudited)	<u>3,338,843</u>	<u>\$ 2.19</u>	<u>9.23</u>	<u>\$ 4,191</u>
Exercisable at June 30, 2020 (unaudited)	48,318	\$ 1.16	8.56	\$ 111
Unvested and expected to vest at June 30, 2020 (unaudited)	3,290,525	\$ 2.21	9.24	\$ 4,080

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 common stock, as determined by the Board of Directors, as of the end of the respective period. The intrinsic value of options exercised for the years ended December 31, 2018 and 2019 and the six months ended June 30, 2019 and 2020 was \$10,000, \$0.7 million, \$0.2 million and \$0.5 million respectively, determined as of the applicable date of exercise. There was no future tax benefit related to options exercised, as the Company had accumulated net operating losses as of December 31, 2019 and 2018 and June 30, 2020.

**Stock-Based Compensation**

Stock-based compensation expense was classified in the Company's statements of operations and comprehensive loss for the years ended December 31, 2018 and 2019 and the six months ended June 30, 2019 and June 30, 2020 as follows:

	Year Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
			(unaudited)	
			(in thousands)	
Research and development expenses	\$ 8	\$ 59	\$ 11	\$ 295
General and administrative expenses	22	54	26	186
Total stock-based compensation expense	<u>\$ 30</u>	<u>\$ 113</u>	<u>\$ 37</u>	<u>\$ 481</u>

As of December 31, 2019, total unrecognized compensation cost related to the unvested share-based awards was \$1.3 million, which is expected to be recognized over a weighted average period of 3.64

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years. As of June 30, 2020, total unrecognized compensation cost related to the unvested share-based awards was \$4.6 million, which is expected to be recognized over a weighted average period of 3.36 years.

**Early Exercised Options**

The Company allows certain of its employees and its consultants to exercise options granted under the 2017 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 or service on the Board of Directors at the lesser of the original purchase price or fair market value at the time of repurchase. In order to vest, the holders are required to provide continued service to the Company. The early exercise by an employee or consultant of a stock option is not considered to be a substantive exercise for accounting purposes, and therefore, the payment received by the employer for the exercise price is recognized as a liability. For accounting purposes, unvested early exercised shares are not considered issued and outstanding and therefore not reflected as issued and outstanding in the accompanying statements of convertible preferred stock and stockholders' equity (deficit) until the awards vest. The deposits received are initially recorded in current portion of other liabilities and other noncurrent liabilities for the noncurrent portion. The liabilities are reclassified to common stock and paid-in capital as the repurchase right lapses. During the years ended December 31, 2018 and 2019, and the six months ended June 30, 2019 and 2020, 1,183,500, 57,750, 57,750, and 663,910 shares of the Company's common stock were early exercised, respectively. At December 31, 2018 and 2019 and June 30, 2020, there was \$59,000, \$56,000, and \$691,000 recorded in current portion of other liabilities, and \$84,000, \$68,000, and \$911,000 recorded in other noncurrent liabilities, respectively, related to shares held by employees and nonemployees that were subject to repurchase.

**Restricted Stock**

In 2017, the Company issued 510,000 restricted stock awards to a non-employee at a fair value of \$0.05 per share. As of December 31, 2018 and 2019, the number of restricted stock awards vested were 102,000 in each year. As of June 30, 2020, the restricted stock awards outstanding were 153,000 which are subject to a lapsing repurchase right upon termination of the consulting agreement. In order to vest, the holder is required to provide service to the Company. For accounting purposes, unvested restricted stock awards are not considered issued and outstanding and therefore are not reflected as issued and outstanding in the accompanying statements of convertible preferred stock and stockholders' equity (deficit) until the awards vest. The Company recorded stock-based compensation expense for this award of \$5,000, \$5,000, \$3,000 and \$3,000 for the years ended December 31, 2018 and 2019 and the six months ended June 30, 2019 and 2020, respectively, in research and development in the statements of operations and comprehensive loss.

**11. INCOME TAXES**

The Company recorded no income tax expense during the years ended December 31, 2018 and 2019 and the six months ended June 30, 2019 and 2020. The Company has incurred net operating losses for all the periods presented and has not reflected any benefit of such net operating loss carryforwards in the accompanying financial statements. The Company has established a full valuation allowance against its deferred tax assets due to the uncertainty surrounding the realization of such assets.

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Reconciliation of the income tax expense calculated at the statutory rate to our zero expense for income taxes for the years ended December 31, 2018 and 2019 were as follows:

	Year Ended December 31,	
	2018	2019
	(in thousands)	
Tax benefit at federal statutory rate	\$ (1,367)	\$ (3,384)
State taxes	(90)	(232)
Research tax credits	(165)	(427)
Change in valuation allowance	1,694	3,958
Other	(72)	85
<b>Expense/(Benefit) for income taxes</b>	<b>\$ —</b>	<b>\$ —</b>

The Company's deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets or liabilities for financial reporting purposes and the amounts used for income tax purposes as of December 31, 2018 and 2019. Significant components of the Company's deferred tax assets and liabilities are as follows:

	Year Ended December 31,	
	2018	2019
	(in thousands)	
<b>Deferred tax assets:</b>		
Lease liabilities	\$ 191	\$ 119
Stock-based compensation	6	4
Accrued compensation	40	127
Net operating loss carryforwards	1,614	5,276
Tax credit carryforwards	146	496
Other	19	1
Total deferred tax assets	2,016	6,023
<b>Deferred tax liabilities:</b>		
Right-of-use assets	(184)	(114)
Fixed assets	(54)	(173)
<b>Total deferred tax liabilities</b>	<b>(238)</b>	<b>(287)</b>
<b>Net deferred tax assets</b>	<b>1,778</b>	<b>5,736</b>
<b>Valuation allowance</b>	<b>(1,778)</b>	<b>(5,736)</b>
<b>Net deferred tax assets</b>	<b>\$ —</b>	<b>\$ —</b>

The Company records a valuation allowance for certain temporary differences for which it is more likely than not that it will not receive future tax benefits. The Company assesses its past earnings history, income tax planning and projections of future net income when determining whether it is more likely than not future tax benefits will be realized. Based on current history of losses, the Company has maintained a full valuation allowance. The valuation allowance increased by \$1.7 million and \$4.0 million during the years ended December 31, 2018 and 2019, respectively.

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The following table sets forth our federal and state net operating loss and research credit carryforwards as of December 31, 2019:

	Amount	Expiration
	(in thousands)	
Net operating losses, federal	\$ 22,837	Indefinite
Net operating losses, federal	\$ 601	2037
Net operating losses, state	\$ 11,581	2037-2039
Tax credits, federal	\$ 299	2037-2039
Tax credits, state	\$ 307	2032-2034

Current federal and state tax laws include substantial restrictions on the utilization of net operating loss and tax credit carryforwards in the event of an ownership change as defined under Section 382 of the Internal Revenue Code of 1986, as amended. Accordingly, the Company's ability to use these carryforward attributes may be limited as a result of such ownership change.

The Company applies the provisions of ASC Topic 740 to account for uncertain income tax positions. A reconciliation of the beginning and ending amount of unrecognized tax benefits were as follows:

	Year Ended December 31,	
	2018	2019
	(in thousands)	
Balance at beginning of the year	\$ —	\$ 32
Additions based on tax positions related to the current year	32	77
Additions to tax positions of prior years	—	—
Reductions of tax positions of prior years	—	—
Lapse of the applicable statute of limitations	—	—
Balance at end of the year	\$ 32	\$ 109

It is the Company's policy to include penalties and interest related to income taxes as a component of income tax expense. As of December 31, 2018, and 2019 and June 30, 2020, there were no accrued interest or penalties related to uncertain tax positions. The reversal of the unrecognized tax benefits would not affect the effective tax rate to the extent that the Company continues to maintain a full valuation allowance against its deferred tax assets. Unrecognized tax benefits are not expected to change during the next 12 months. The Company is subject to examination by U.S. federal and state tax authorities for all years since its inception.

**12. NET LOSS PER SHARE**

The following table summarizes the computation of basic and diluted net loss per share of the Company for the years ended December 31, 2018 and 2019 and the six months ended June 30, 2019 and June 30, 2020:

	Year Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
	(in thousands, except share and per share amounts)			
	(unaudited)			
Net loss	\$ (6,721)	\$ (16,117)	\$ (6,639)	\$ (15,574)
Weighted-average common stock outstanding, basic and diluted	4,604,254	5,003,528	4,823,273	5,463,891
Net loss per share, basic and diluted	\$ (1.46)	\$ (3.22)	\$ (1.38)	\$ (2.85)



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The Company's potentially dilutive securities, which include the Preferred Stock and options to purchase shares of the Company's common stock, have been excluded from the computation of diluted net loss per share as the effect would be to reduce the net loss per share. Therefore, the weighted-average number of shares of common stock outstanding used to calculate both basic and diluted net loss per share is the same. The Company excluded the following potential shares of common stock, presented based on amounts outstanding at each stated period end, from the computation of diluted net loss per share for the years ended December 31, 2018 and 2019 and six months ended June 30, 2019 and 2020 because including them would have had an anti-dilutive effect:

	Year Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
			(unaudited)	
Convertible preferred stock	7,806,977	21,504,893	14,949,465	21,504,893
Stock options to purchase common stock	267,105	901,712	319,555	2,119,880
Early exercised stock options subject to future vesting	1,170,166	734,530	884,655	1,218,963
Restricted stock award subject to future vesting	306,000	204,000	255,000	153,000
<b>Total</b>	<b>9,550,248</b>	<b>23,345,135</b>	<b>16,408,675</b>	<b>24,996,736</b>

**13. PRO FORMA NET LOSS PER SHARE (UNAUDITED)**

Pro forma net loss per common share, basic and diluted, for the year ended December 31, 2019 and the six months ended June 30, 2020 were calculated as follows:

	Year Ended December 31, 2019	Six Months Ended June 30, 2020
	(unaudited)	
	(in thousands, except share)	
<b>Numerator:</b>		
Net Loss	\$ (16,117)	\$ (15,574)
<b>Denominator:</b>		
Weighted-average common stock outstanding, basic and diluted	5,003,528	5,463,891
Add: Conversion of convertible preferred stock	14,807,707	21,504,893
Pro forma weighted-average common stock outstanding	19,811,235	26,968,784
Pro forma net loss per common share, basic and diluted	\$ (0.81)	\$ (0.58)

**14. COMMITMENTS AND CONTINGENCIES**

**Purchase Commitments**

In the normal course of business, the Company enters into contracts with CROs for preclinical studies and other vendors for other services and products for operating purposes. These agreements generally provide for termination or cancellation, other than for costs already incurred.

**Contingencies**

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnifications. The Company's exposure under these agreements is unknown, because it involves claims that may be made against the

Company in the future, but have not yet been made. The Company accrues a liability for such matters when it is probable that future expenditures will be made and such expenditures can be reasonably estimated.

#### **Indemnification**

In accordance with the Company's amended and restated certificate of incorporation and amended and restated bylaws, the Company has indemnification obligations to its officers and directors for certain events or occurrences, subject to certain limits, while they are serving in such capacity. There have been no claims to date, and the Company has a directors and officers liability insurance policy that may enable it to recover a portion of any amounts paid for future claims.

#### **15. LEASES**

In May 2020, the Company amended its month-to-month rental agreement for the 21 Erie Street, Cambridge, Massachusetts lab space, to extend its non-cancellable lease term. The amendment was executed on May 5, 2020 and has a term expiration date of May 31, 2021. As the lease term is longer than 12 months, the Company determined that this amendment requires assessment under ASC 842. In connection with the lease, the Company recognized an operating lease right-of-use asset of \$2.2 million and an aggregate lease liability of \$2.0 million on the June 30, 2020 balance sheet. The remaining lease term is 11 months, and the estimated incremental borrowing rate is 12.71%.

In March 2020, the Company entered into an 11-year lease agreement to move its research and development operations from 21 Erie Street, Cambridge, Massachusetts, to a 40,514 square-foot facility at 301 Binney Street, Cambridge, Massachusetts. The new lease commenced on March 1, 2020 with a monthly base rent of \$0.3 million. The initial rent payment is due at the end of September 2020, with rent payments escalating 3.0% annually after the initial 12 payments. As discussed in Note 2, the Company executed a letter of credit for \$2.0 million in connection with the lease. The lease includes \$3.7 million in certain tenant improvement allowances, which the Company included in its calculation of the right-of-use asset in the lease at commencement. In connection with the lease, the Company recognized an operating lease right-of-use asset of \$26.1 million and an aggregate lease liability of \$27.5 million on the June 30, 2020 balance sheet. The remaining lease term is 10 years and 8 months, and the estimated incremental borrowing rate is 8.50%.

In July 2018, the Company entered into a lease agreement for a 4,661 square-foot office space to be used for general and administrative activities in San Mateo, California. The lease commenced on August 1, 2018 and has a 37-month initial term expiring on August 31, 2021. The lease also contains an option for the Company to extend the lease upon its initial expiration. In connection with the lease, the Company made a one-time cash security deposit in the amount of \$28,000. In May 2020, the Company amended its agreement to extend the lease for its office in San Mateo, California through April 2025. The initial annual base rent is approximately \$0.3 million, and such amount will increase by 3% annually on each anniversary of the commencement date. In connection with the lease, the Company recognized an operating lease ROU asset of \$0.7 million, \$0.5 million, and \$1.2 million, and an aggregate lease liability of \$0.7 million, \$0.5 million, and \$1.2 million as of December 31, 2018 and 2019 and June 30, 2020, respectively, on its balance sheets. The remaining lease term is 4 years and 10 months, and the estimated incremental borrowing rate is 12.07%. The Company expanded to an adjacent suite in July 2020, which will be treated as a separate lease for accounting purposes.

In March 2018, the Company entered into a finance lease for R&D equipment that has a bargain purchase option at the end of its three-year term. The finance lease is included in property and equipment, net, other current liabilities, and other noncurrent liabilities on the Company's balance sheets.

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The following table summarizes the presentation of the Company's finance lease in its balance sheets as of December 31, 2018 and 2019, and June 30, 2020:

Balance Sheet Caption	December 31,		June 30,
	2018	2019	2020 (unaudited)
	(in thousands)		
<b>Assets:</b>			
Property and equipment, net	\$ 123	\$ 103	\$ 93
<b>Liabilities:</b>			
Current portion of other liabilities	\$ 30	\$ 32	\$ 22
Other noncurrent liabilities	37	5	—
Total finance lease liabilities	\$ 67	\$ 37	\$ 22

The following table summarizes the presentation of the Company's operating leases in its balance sheets as of December 31, 2018 and 2019, and June 30, 2020:

Balance Sheet Caption	December 31,		June 30,
	2018	2019	2020 (unaudited)
	(in thousands)		
<b>Assets:</b>			
Operating lease assets	\$ 715	\$ 473	\$ 29,488
<b>Liabilities:</b>			
Current portion of operating lease liabilities	\$ 248	\$ 285	\$ 2,166
Noncurrent operating lease liabilities	493	211	28,509
Total operating lease liabilities	\$ 741	\$ 496	\$ 30,675

The following table summarizes the effect of finance lease costs in the Company's statements of operations and comprehensive loss for the years ended December 31, 2018 and 2019 and the six months ended June 30, 2019 and 2020:

Statement of Operations and Comprehensive Loss Caption	Year Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019 (unaudited)	2020 (unaudited)
	(in thousands)			
Research and development	\$ 17	\$ 20	\$ 10	\$ 10
Interest income (expense), net	4	3	2	1
Total finance lease cost	\$ 21	\$ 23	\$ 12	\$ 11

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The following table summarizes the effect of operating lease costs in the Company's statements of operations and comprehensive loss for the years ended December 31, 2018 and 2019 and the six months ended June 30, 2019 and 2020:

Statement of Operations and Comprehensive Loss Caption	Year Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
			(unaudited)	
	(in thousands)			
Research and development	\$ —	\$ —	\$ —	\$ 1,446
General and administrative	128	310	155	501
<b>Total operating lease cost</b>	<b>\$ 128</b>	<b>\$ 310</b>	<b>\$ 155</b>	<b>\$ 1,947</b>

The Company made cash payments of \$0.2 million, \$0.3 million, \$0.2 million, and \$0.6 million under the lease agreements during the years ended December 31, 2018 and 2019 and the six months ended June 30, 2019 and 2020, respectively.

The undiscounted future non-cancellable lease payments under the Company's operating leases as of June 30, 2020 for the next five years and thereafter is expected to be as follows:

Period Ending December 31,	Amount
	(in thousands)
Remaining six months of 2020	\$ 2,409
2021	5,531
2022	4,542
2023	4,678
2024 and thereafter	35,564
Total undiscounted lease payments	52,724
Less: Present value adjustment	(18,335)
Less: Present value of tenant improvement allowance	(3,714)
<b>Present value of operating lease liabilities</b>	<b>\$ 30,675</b>

**16. RELATED PARTIES**

On December 1, 2017, the Company entered into a three-year services agreement with Two River Consulting, LLC (Two River) to provide various clinical development, operational, managerial, accounting and financial, and administrative services to the Company. Arie Beldegren, M.D., FACS, the Chairman of the Board of Directors, is the Chairman of Two River. Mr. Joshua Kazam and Mr. David Tanen, each a director of the Company, are each partners of Two River. Mr. Tanen additionally serves as our Corporate Secretary. Mr. Christopher Wilfong, a strategic advisor to the Company, is an Operating Partner of Two River and Mr. Sean Algeo, serving as the Company's Treasurer, is the Chief Financial Officer of Two River. During the years ended December 31, 2018 and 2019 and the six months ended June 30, 2019 and 2020, the Company incurred expense of \$0.6 million, \$0.9 million, \$0.4 million and \$0.5 million respectively, for these services.

Some of the Company's expenses are periodically paid by Two River. The Company reimburses Two River for these expenses and no interest is charged on the outstanding balance. These reimbursable expenses totaled \$39,000 and \$49,000 for the years ended December 31, 2018 and 2019, respectively, and \$33,000 and \$9,000 for the six months ended June 30, 2019 and 2020, respectively. As of December 31, 2019 and June 30, 2020, the Company had payables to Two River of \$75,000 and

\$95,000, respectively. All balances owed as December 31, 2019 were paid in full during the first quarter of 2020.

In 2019, the Company entered into a consulting agreement with Bellco Capital, LLC (Bellco) to provide various executive services to the Company. Arie Beldegrun, M.D., FACS, the Chairman of the Board of Directors, is the Chairman of Bellco. Rebecka Beldegrun, M.D., a director of the Company, is the President and Chief Executive Officer of Bellco. During the year ended December 2019 and the six months ended June 30, 2020, the Company incurred expense of \$25,000 and \$13,000, respectively, for these services.

#### 17. SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 31, 2020, which is the date that the financial statements were available to be issued.

##### ***San Mateo Lease Amendment***

In May 2020, the Company amended its agreement to extend the lease for its office in San Mateo, California through April 2025. The initial annual base rent is approximately \$0.3 million, and such amount will increase by 3.0% annually on each anniversary of the commencement date.

##### ***301 Binney Lease***

In March 2020, the Company entered into an 11-year lease agreement to move its research and development operations to a 40,514 square-foot facility at 301 Binney Street, Cambridge, Massachusetts. The initial annual base rent is approximately \$4.1 million and such amount will increase by 3% annually on each anniversary of the rent commencement date, which was October 2020.

##### ***Gilead Asset Purchase Agreement***

In July 2020, the Company entered into an asset purchase agreement (Gilead Asset Purchase Agreement) with Gilead Sciences, Inc. (Gilead), pursuant to which the Company acquired certain assets from and assumed certain liabilities of Gilead related to entospletinib (ENTO) and lanraplenib (LANRA), and patents and other intellectual property covering or related to the development, manufacture and commercialization of ENTO and LANRA.

In consideration for such assets, on the date of the Gilead Asset Purchase Agreement, the Company made a \$3.0 million upfront cash payment and issued a \$3.0 million principal amount convertible promissory note to Gilead (Gilead Note). The Company also made a \$0.7 million payment to reimburse Gilead for certain liabilities we assumed pursuant to the Gilead Asset Purchase Agreement. In addition, the Company is required to make milestone payments upon successful achievement of certain regulatory and sales milestones for ENTO, LANRA and other selective spleen tyrosine kinase inhibitor compounds covered by the patent rights acquired pursuant to the Gilead Asset Purchase Agreement and developed by the Company as a back-up to ENTO or LANRA (Other Compounds). Upon initiation of the Company's planned registrational Phase 2/3 clinical trial of ENTO in combination with induction chemotherapy in acute myeloid leukemia patients with NPM1 mutations, the Company will be required to pay a milestone to Gilead of \$29.0 million, and upon successful completion of certain other regulatory milestones in the United States, European Union and United Kingdom for ENTO, LANRA and any Other Compounds, across up to two distinct indications, the Company will be required to pay to Gilead an aggregate total of \$51.25 million. Upon achieving certain thresholds for the aggregate annual net sales of ENTO, LANRA and any Other Compounds combined, the Company would owe to Gilead potential milestone payments totaling \$115.0 million.

Gilead is also eligible to receive (i) tiered marginal royalties ranging from the very low-teens to high-teens on annual worldwide net sales of ENTO, (ii) tiered marginal royalties ranging from high-single digits

**KRONOS BIO, INC.**  
**Notes to Financial Statements**  
**(Information as of June 30, 2020 and for the six months ended June 30, 2019 and 2020 is unaudited)**

to the mid-teens on annual worldwide net sales of LANRA and (iii) tiered marginal royalties ranging from low single digits to mid-single digits on annual worldwide net sales of any Other Compounds. The royalties in the foregoing clauses are subject to reduction, on a country-by-country basis, for products not covered by certain claims within the assigned patents, for generic entry and, in the case of ENTO and LANRA, for any royalties paid for future licenses of third party intellectual property required to develop or commercialize ENTO or LANRA. The Company's royalty obligation with respect to a given product in a given country begins upon the first commercial sale of such product in such country and ends on the latest of (i) expiration of the last claim of a defined set of the assigned patent rights covering such product in such country; (ii) loss of exclusive data or marketing rights to such product in such country; or (iii) 10 years from the first commercial sale of such product in such country.

Under the Gilead Asset Purchase Agreement, the Company is required to use commercially reasonable efforts to develop, obtain regulatory approval for and commercialize either ENTO or LANRA.

**18. SUBSEQUENT EVENTS (UNAUDITED)**

For its unaudited interim consolidated financial statements as of June 30, 2020 and the six-month period then ended, the Company has evaluated the effects of subsequent events through September 3, 2020, which is the date that these unaudited interim consolidated financial statements were available to be issued.

**Convertible Notes**

In August 2020, the Company entered into a note purchase agreement pursuant to which it sold and issued \$155.2 million aggregate principal amount of convertible promissory notes (2020 Notes) and received net cash proceeds of \$151.3 million. The 2020 Notes do not accrue interest and will be settled with shares of the Company's common stock in connection with the closing of the Company's initial public offering (IPO) at a settlement price equal to 85% of the IPO price per share. If the Company is acquired, completes a business combination resulting in a change of control or sells all or substantially all of its assets (each, a liquidation transaction) prior to the 18-month anniversary of the issuance date of the 2020 Notes, the 2020 Notes, unless previously settled into shares of common stock in the IPO, will settle into shares of the Company's common stock at a price per share equal to 85% of the estimated fair value of the consideration per share payable to the holders of its common stock in connection with such liquidation transaction. If neither the IPO nor a liquidation transaction occurs prior to the 18-month anniversary of the issuance date of the 2020 Notes, the 2020 Notes will be converted into shares of newly designated Series B convertible preferred stock of the Company at settlement price per share that will be determined based on a stipulated \$500.0 million valuation of the Company and its fully diluted capitalization as of immediately prior to the conversion of the 2020 Notes. The 2020 Notes contain additional redemption features contingent upon the occurrence of certain future events.

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Shares

**Kronos Bio, Inc.**

Common Stock

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**Goldman Sachs & Co. LLC**

**Jefferies**

**Cowen**

**Piper Sandler**

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Through and including \_\_\_\_\_, 2020 (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 is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

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**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 us in connection with the sale of our common stock being registered. All amounts are estimates except for the Securities and Exchange Commission (SEC) registration fee, the Financial Industry Regulatory Authority (FINRA) filing fee and The Nasdaq Global Market (Nasdaq) listing fee.

Item	Amount Paid or to
SEC registration fee	\$ 12,980
FINRA filing fee	15,500
Nasdaq listing fee	225,000
Printing expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent fees and expenses	*
Miscellaneous expenses	*
Total	\$ *

\* To be filed 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 amended and restated 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 may indemnify our directors, officers and employees to the fullest extent permitted by the Delaware General Corporation Law, subject to limited exceptions;
- we may advance expenses to our directors, officers and employees 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 bylaws are not exclusive.

Our amended and restated certificate of incorporation and our amended and restated bylaws provide for the indemnification provisions described above and elsewhere herein. We have entered or will enter into, and intend to continue to enter into, separate indemnification agreements with our directors and officers that 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 certain 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. 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 (Securities Act).

We have purchased and currently intend to maintain insurance on behalf of each and every person who is one of our directors or officers against any loss arising from any claim asserted against him or her and incurred by him or her in any such capacity, subject to certain exclusions.

The form of underwriting agreement for this initial public offering provides for indemnification by the underwriters of us and our officers and directors who sign this registration statement for specified liabilities, including matters arising under the Securities Act.

**Item 15. Recent Sales of Unregistered Securities.**

Since July 31, 2017, we have made the following sales of unregistered securities:

- (1) From December 2017 to April 2018, we issued convertible promissory notes to certain individual and institutional accredited investors, pursuant to which we issued and sold \$6.4 million aggregate principal amount of convertible promissory notes in exchange for \$6.4 million in gross proceeds.
- (2) In May 2018, we entered into a Series Seed preferred stock purchase agreement with various investors, pursuant to which we issued and sold to such investors an aggregate of 7,806,977 shares of our Series Seed convertible preferred stock at a purchase price of \$2.30769 per share, and received aggregate gross proceeds of \$11.5 million, which included the conversion of the convertible promissory notes described in paragraph (1) above.
- (3) In July 2019, we entered into a Series A preferred stock purchase agreement with various investors, pursuant to which we issued and sold (i) to such investors an aggregate of 13,697,916 shares of our Series A convertible preferred stock at a purchase price of \$7.6654 per share, and received aggregate gross proceeds of approximately \$105.0 million.
- (4) From December 18, 2017 to the effective date of this registration statement, we granted stock options under our 2017 equity incentive plan, as amended (the Prior Plan), to purchase up to an aggregate of shares of our common stock to our employees, directors and consultants, at

a weighted-average exercise price of \$            per share. Through the effective date of this registration statement,            shares of common stock were issued upon the exercise of options granted to employees, directors and consultants and the payment of \$            to us was made.

(5) In July 2020, we entered into an asset purchase agreement with Gilead Sciences, Inc. (Gilead), pursuant to which we issued to Gilead a \$3.0 million principal amount convertible promissory note as partial consideration under an Asset Purchase Agreement between us and Gilead. The principal terms of this convertible promissory note are described in the prospectus forming a part of this registration statement under "Business—Strategic Agreements."

(6) In August 2020, we entered into a note purchase agreement with certain individual and accredited investors, pursuant to which we sold and issued \$155.2 million aggregate principal amount of convertible promissory notes and received \$151.3 million in net cash proceeds after deducting placement agent fees.

The offers, sales and issuances of the securities described in paragraphs (1) through (3), (5) and (6) were deemed to be exempt from registration under the Securities Act in reliance on Section 4(a)(2) (or Regulation D promulgated thereunder) in that the issuance of securities to the accredited investors did not involve a public offering. The recipients of securities in each of these transactions acquired the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions was an accredited investor under Rule 501 of Regulation D. No underwriters were involved in these transactions.

The offers, sales and issuances of the securities described in paragraph (4) were deemed to be exempt from registration under the Securities Act in reliance on either Rule 701 in that the transactions were under compensatory benefit plans and contracts relating to compensation as provided under Rule 701 or Section 4(a)(2) in that the issuance of securities to the accredited investors did not involve a public offering. The recipients of such securities were our employees, directors or bona fide consultants and received the securities under the Prior Plan.

Appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions had adequate access, through employment, business or other relationships, to information about us.

**Item 16. Exhibits and Financial Statement Schedules.**

**(a) Exhibits.**

The exhibits listed below are filed as part of this registration statement.

<u>Exhibit</u>	<u>Description Of Document</u>
1.1†	Form of Underwriting Agreement.
2.1¥*	<a href="#">Asset Purchase Agreement, by and between the registrant and Gilead Sciences, Inc., dated July 14, 2020.</a>
3.1	<a href="#">Third Amended and Restated Certificate of Incorporation, as currently in effect.</a>
3.2	<a href="#">Form of Amended and Restated Certificate of Incorporation to become effective immediately prior to the closing of this offering.</a>
3.3	<a href="#">Bylaws, as currently in effect.</a>
3.4	<a href="#">Form of Amended and Restated Bylaws to become effective upon the closing of this offering.</a>
4.1†	Form of Common Stock Certificate of the registrant.
4.2¥	<a href="#">Amended and Restated Investors' Rights Agreement, by and among the registrant and certain of its stockholders, dated July 1, 2019, as amended on August 20, 2020.</a>
5.1†	Opinion of Cooley LLP.
10.1+†	Form of Indemnity Agreement, by and between the registrant and its directors and officers.
10.2+	<a href="#">Kronos Bio, Inc. 2017 Equity Incentive Plan (Prior Plan), as amended, and Forms of Option Agreement, Notice of Exercise, Notice of Early Exercise, Restricted Stock Grant Notice and Restricted Stock Award Agreement thereunder.</a>
10.3+†	Kronos Bio, Inc. 2020 Equity Incentive Plan, and Forms of Option Grant Notice, Option Agreement, Notice of Exercise, Restricted Stock Unit Grant Notice and Restricted Stock Unit Agreement thereunder.
10.4+†	Kronos Bio, Inc. 2020 Employee Stock Purchase Plan.
10.5+¥	<a href="#">Letter Agreement, by and between the registrant and Norbert Bischofberger, Ph.D., dated April 30, 2018.</a>
10.6+¥	<a href="#">Letter Agreement, by and between the registrant and Jorge DiMartino, M.D., Ph.D., dated September 4, 2019.</a>
10.7+¥	<a href="#">Letter Agreement, by and between the registrant and Philip P. Gutry, dated September 19, 2018.</a>
10.8+¥	<a href="#">Letter Agreement, by and between the registrant and Yasir Al-Wakeel, dated August 16, 2020.</a>
10.9	<a href="#">Office Lease, by and between the registrant and DWF IV 1300 S El Camino LLC, dated July 19, 2018, as amended.</a>
10.10	<a href="#">Lease, by and between the registrant and BMR-Rogers Street LLC, dated February 28, 2020.</a>
10.11¥	<a href="#">License Agreement, by and between the registrant and President and Fellows of Harvard College, dated January 16, 2018.</a>
23.1	<a href="#">Consent of Independent Registered Public Accounting Firm.</a>
23.2†	Consent of Cooley LLP. Reference is made to Exhibit 5.1.
24.1	<a href="#">Power of Attorney. Reference is made to the signature page hereto.</a>

† To be filed by amendment.

¥ Schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant undertakes to furnish supplemental copies of any of the omitted schedules upon request by the SEC.

+ Indicates management contract or compensatory plan.

\* Certain portions of this exhibit are omitted because they are not material and would likely cause competitive harm to the registrant if disclosed.

**(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.**

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.

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.

**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 the City of San Mateo, State of California on September 18, 2020.

**KRONOS BIO, INC.**

By:           /s/ Norbert Bischofberger            
 Norbert Bischofberger, Ph.D.

**POWER OF ATTORNEY**

KNOW ALL BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Norbert Bischofberger, Ph.D., and Barbara Kosacz, and each of them, as his or her true and lawful attorneys-in-fact and agents, each with the full power of substitution, for him or her and in his or her name, place or stead, in any and all capacities, to sign any and all amendments to this registration statement (including post-effective amendments), and to sign any registration statement for the same offering covered by this registration statement that is to be effective upon filing pursuant to Rule 462(b) promulgated under the Securities Act, and all post-effective amendments thereto, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their, his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement on Form S-1 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
<u>          /s/ Norbert Bischofberger          </u> Norbert Bischofberger, Ph.D.	President, Chief Executive Officer and Director <i>(Principal Executive Officer)</i>	September 18, 2020
<u>          /s/ Yasir Al-Wakeel          </u> Yasir Al-Wakeel, BM BCh	Chief Financial Officer and Head of Corporate Development <i>(Principal Financial and Accounting Officer)</i>	September 18, 2020
<u>          /s/ Arie Belldegrun          </u> Arie Belldegrun, M.D., FACS	Chairman of the Board of Directors	September 18, 2020
<u>          /s/ Rebecka Belldegrun          </u> Rebecka Belldegrun, M.D.	Director	September 18, 2020
<u>          /s/ Joshua Kazam          </u> Joshua Kazam	Director	September 18, 2020
<u>          /s/ Jakob Loven          </u> Jakob Loven, Ph.D.	Director	September 18, 2020
<u>          /s/ John C. Martin          </u> John C. Martin, Ph.D.	Director	September 18, 2020
<u>          /s/ Elena Ridloff          </u> Elena Ridloff, CFA	Director	September 18, 2020
<u>          /s/ Otello Stampacchia          </u> Otello Stampacchia, Ph.D.	Director	September 18, 2020
<u>          /s/ David Tanen          </u> David Tanen	Director	September 18, 2020

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [\*\*\*], HAS BEEN OMITTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

CONFIDENTIAL

EXECUTION VERSION

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ASSET PURCHASE AGREEMENT

between

KRONOS BIO, INC.

and

GILEAD SCIENCES, INC.

Dated as of July 14, 2020

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## **SCHEDULES**

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## **EXHIBITS**

Exhibit A	Form of Bill of Sale
Exhibit B-1	Form of Convertible Promissory Note
Exhibit B-2	Form of Note Purchase Agreement
Exhibit C	Form of Patent Assignment Agreement
Exhibit D	Form of Technology Transfer and Transition Services Agreement
Exhibit E	Development Plan
Exhibit F	Form of Press Release

## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this “**Agreement**”) is made and entered into as of July 14, 2020, between Gilead Sciences, Inc., a Delaware corporation (on behalf of itself and its Affiliates, “**Seller**”), and Kronos Bio, Inc., a Delaware corporation (“**Buyer**”). Buyer and Seller are sometimes referred to herein individually as a “**Party**” and collectively as the “**Parties**”.

### RECITALS

**WHEREAS**, Seller owns or controls certain proprietary rights, know-how and technology related to the Compounds (as defined below); and

**WHEREAS**, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, certain assets of Seller used in or relating to the Compounds, and Buyer is willing to assume certain liabilities of Seller relating to the Compounds, all upon the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants, representations and warranties herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the Parties hereby agree as follows:

### ARTICLE 1. DEFINITIONS

1.1 **Defined Terms.** As used in this Agreement, the following defined terms shall have the meanings specified below:

“**Additional Active**” means active pharmaceutical or biological ingredients for which no royalty would be due hereunder if such ingredient(s) were sold separately from a Product.

“**Affiliate**” means, with respect to any Person, any other Person, which controls, is controlled by or is under common control with such Person, for as long as such control exists. For purposes of this definition, “control” shall mean the direct or indirect ownership of fifty percent (50%) or more of the voting or economic interest of a Person, or the power, whether pursuant to contract, ownership of securities or otherwise, to direct the management and policies of a Person. For clarity, once a Person ceases to be an Affiliate of a Party, then, without any further action, such Person shall cease to have any rights under this Agreement by reason of being an Affiliate of such Party.

“**Ancillary Agreements**” means, collectively, the Bill of Sale, the Convertible Promissory Note, the Note Purchase Agreement, the Patent Assignment Agreement, the Technology Transfer and Transition Services Agreement and such other agreements as may be executed in connection with the transactions contemplated by this Agreement.

“**Annual Net Sales**” shall mean, with respect to a Product, the cumulative worldwide Net Sales of such Product in any Calendar Year.

“**Bill of Sale**” means the bill of sale to be executed and delivered at Closing, substantially in the form of Exhibit A, selling, assigning, transferring, conveying or delivering the Acquired Assets.

“**Business Day**” means any day that is not: (a) a Saturday or a Sunday, (b) any day that is a legal holiday under the applicable Laws of the United States or that is a day on which banking institutions in New York City, New York or in San Francisco, California are authorized or required by applicable Laws or other governmental action to close, (c) the Sunday through Saturday containing July 4, or (d) December 26 through December 31.

“**Calendar Quarter**” means the period beginning on the Closing Date and ending on the last day of the Calendar Quarter in which the Closing Date falls, and thereafter each successive period of three (3) consecutive calendar months ending on March 31, June 30, September 30 and December 31; *provided, that*, the final Calendar Quarter shall end on the last day of the Term.

“**Calendar Year**” means the period beginning on the Closing Date and ending on December 31 of the Calendar Year in which the Closing Date falls, and thereafter each successive period of twelve (12) months commencing on January 1 and ending on December 31; *provided, that*, the final Calendar Year shall end on the last day of the Term.

“**CDA**” means the Mutual Confidential Disclosure Agreement dated as of October 7, 2019 (the “**CDA Effective Date**”), as amended on February 7, 2020, by and between Buyer and Seller.

“**cGCP**” means the current standards, practices and procedures promulgated or endorsed by the FDA as of the Closing Date and as set forth in the guidelines entitled “Guidance for Industry E6 Good Clinical Practice: Consolidated Guidance,” including related regulatory requirements imposed by the FDA and comparable regulatory standards, practices and procedures promulgated by other Regulatory Authorities applicable to the clinical development of any Product as of the Closing Date, including applicable quality guidelines promulgated under the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) as of the Closing Date.

“**[\*\*\*]**” means Section [\*\*\*] of the [\*\*\*] Merger Agreement. For the avoidance of doubt, the “[\*\*\*]” shall include such other sections, provisions and definitions set forth in the [\*\*\*] Merger Agreement that specifically relate to the listed [\*\*\*] or are reasonably apparent on their face as necessary to enforce or comply with the terms and conditions of such [\*\*\*].

“**cGLP**” means the current standards as of the Closing Date for laboratory activities for pharmaceuticals, as set forth in the FDA’s Good Laboratory Practice regulations as defined in 21 C.F.R. Part 58 and/or the Good Laboratory Practice principles of the Organization for Economic Co-Operation and Development, as such standards exist as of the Closing Date, and comparable regulatory standards, practices and procedures promulgated by other Regulatory Authorities in countries in which a Product is intended to be sold.

“**cGMP**” means the current good manufacturing practices as of the Closing Date set forth in the quality system regulation 21 C.F.R Parts 210, 211 and 820, governing the methods used in, and the facilities and controls used for, the design, manufacture, packaging, labeling, and storage of any Product and comparable regulatory standards, practices and procedures promulgated by other Regulatory Authorities applicable to any Product as of the Closing Date.

“**Clinical Trial Participation Agreement**” means the [\*\*\*].

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Combination Product**” means (a) any single product in finished form containing as active ingredients both (i) a Compound and (ii) one or more Additional Actives; or (b) any Product sold with one or more product(s) for a single invoice price.

“**Commercialization**” or “**Commercialize**” means any and all activities directed to the commercial manufacturing, offering for sale and sale of a Product including (a) activities directed to marketing, promoting, detailing, distributing, manufacturing, importing, selling and offering to sell that Product (whether before or after Marketing Authorization has been obtained); (b) interacting with Regulatory Authorities regarding the above; and (c) seeking pricing approvals and reimbursement

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approvals (as applicable) for that Product. When used as a verb, “**to Commercialize**” and “**Commercializing**” means to engage in Commercialization and “**Commercialized**” has a corresponding meaning.

“**Commercially Reasonable Efforts**” means [\*\*\*].

“**Compound**” means the Ento Compound, the Lanra Compound and each Other Compound.

“**Contracts**” means any and all binding commitments, contracts, purchase orders, licenses, or other agreements, whether written or oral.

“**Convertible Promissory Note**” means the convertible promissory note to be executed and delivered at Closing, substantially in the form of Exhibit B-1.

“**Court**” means any court or arbitration tribunal of the United States, any domestic state, or any foreign country, and any political subdivision thereof.

“**Cover**” means, with reference to a Patent Right, that the making of, use, offer for sale, sale or importation of the applicable product or technology would infringe a Valid Claim of such Patent Right (or, in the case of an application for a Patent Right, would infringe a Valid Claim in such application if it were to issue with the then-pending claims) in the country in which such activity occurs absent a license thereto or ownership thereof.

“**Development**” or “**Develop**” means all non-clinical and clinical development activities that are undertaken by or on behalf of Buyer with respect to the Compounds and/or Products after the Closing Date, including test method development and stability testing, toxicology, formulation, process development, manufacturing scale-up, development-stage manufacturing, analytical method validation, manufacturing process validation, cleaning validation, quality assurance/quality control, statistical analysis, report writing, preclinical and clinical studies, clinical trial design and operations, clinical pharmacology studies, health economics and outcomes research studies, pharmacovigilance studies, the preparation and filing of Regulatory Filings and all regulatory affairs related to the foregoing and all other activities necessary or reasonably useful or otherwise requested or required by a Governmental Entity as a condition or in support of obtaining or maintaining a Regulatory Filing. When used as a verb, “**Developing**” means to engage in Development and “**Developed**” has a corresponding meaning.

“**Development Plan**” means the high-level plan setting forth Buyer’s anticipated Development activities in the U.S. and Europe, attached hereto as Exhibit E, as may be amended, restated, supplemented or modified from time to time by Buyer.

“**Dollar**” means United States dollar, and “**\$**” shall be interpreted accordingly.

“**EMA**” means the European Medicines Agency or any successor agency or authority thereto.

“**Encumbrance**” means any encumbrance, claim, mortgage, pledge, assessment, security interest, option, license, right of first refusal or preemptive right, hypothecation, equitable interest, preference, right of possession, deed of trust, lease, lien, levy, restriction on transferability, defect in title, charge or other encumbrance of any kind, whether voluntarily incurred or arising by operation of Law, any obligation to pay Taxes, any conditional sale or title retention agreement or other agreement granting any of the foregoing in the future or otherwise.

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“**Ento Compound**” means the entospletinib compound, otherwise known as GS-9973, under development by Seller as of the Closing Date, the structure of which is set forth on Schedule 1.1(a).  
“**Ento Product**” means any pharmaceutical composition(s), preparation(s), or formulation(s) that comprise(s) or contain(s) the Ento Compound.

“**Europe**” means the European Union and the United Kingdom.

“**European Union**” means the economic, scientific and political organization of member states as it is constituted as of the Closing Date.

“**Exploitation**” means to research, develop, make, have made, use, offer for sale, sell, import, export or otherwise exploit, or transfer possession of or title in, a compound (including Compounds) or product (including Products).

“**FDA**” means the United States Food and Drug Administration or any successor agency or authority thereto.

“**FDCA**” means the United States Federal Food, Drug, and Cosmetic Act, as amended from time to time, together with any rules, regulations and requirements promulgated thereunder, including additions, supplements, extensions, and modifications thereto.

“**Field**” means any and all uses.

“**First Commercial Sale**” means, with respect to any Product in any country in the Territory, the first invoiced commercial sale, transfer or disposition for monetary value for use or consumption of that Product in that country after Marketing Authorization for that Product has been received in that country; *provided, that*, the following shall not constitute a First Commercial Sale: (a) any sale to an Affiliate or licensee (unless the Affiliate or licensee is the last entity in the distribution chain of the Product) or (b) any transfers of a Product without consideration or for nominal consideration for use in any clinical trial, or for any bona fide charitable, compassionate use or indigent patient program purpose where Products are sold at or below cost of goods sold, or as a sample.

“**Force Majeure**” means any occurrence beyond the reasonable control of a Party that (a) prevents or substantially interferes with or delays the performance by such Party of any of its obligations hereunder and (b) occurs by reason of any act of God, flood, fire, explosion, earthquake, strike, lockout, labor dispute, casualty or accident, or war, revolution, civil commotion, act of terrorism, blockage or embargo, epidemic, pandemic, disease outbreak (including the Coronavirus Disease 2019 (COVID-19) outbreak that commenced in 2019) or other health crisis or public health event, or any injunction, law, order, proclamation, regulation, ordinance, demand or requirement of any Governmental Entity or of any subdivision, authority or representative of any such Governmental Entity.

“**Fundamental Representations**” means the representations and warranties of Seller or Buyer, as the case may be, set forth in Sections 6.1.1 (Organization and Standing), 6.1.2 (Authorization), 6.1.3 (Binding Agreement), 6.1.5 (Title to Acquired Assets), 6.1.13 (Brokers), Section 6.2.1 (Organization and Standing), 6.2.2 (Authorization), 6.2.3 (Binding Agreement) and 6.2.7 (No Brokers).

“**Generic Product**” means, with respect to a particular Product and regulatory jurisdiction, any pharmaceutical product that is sold by a Third Party (other than a licensee of Buyer) in such regulatory jurisdiction and that (a) contains the same Compound as such Product; and (b) has obtained Marketing Authorization for use pursuant to a regulatory approval process governing approval

of generic or interchangeable drugs based on the then-current standards in such regulatory jurisdiction; and (c) has been deemed by the applicable Regulatory Authority as [\*\*\*].

“**Governmental Entity**” means any court, tribunal, arbitrator, Regulatory Authority, agency, commission, department, ministry, official or other instrumentality of the United States or other country, or any supra-national organization, or any foreign or domestic, state, county, city or other political subdivision.

“**IND**” means (a) an Investigational New Drug Application (as defined in the FDCA and the regulations promulgated thereunder) or any successor application or procedure required to initiate clinical testing of a therapeutic product in humans in the United States; (b) the equivalent of an Investigational New Drug Application that is required in any other country or region before beginning clinical testing of a therapeutic product in humans in such country or region (including any Clinical Trial Authorization required to initiate clinical testing of a therapeutic product in humans in the United Kingdom); and (c) all supplements and amendments to any of the foregoing.

“**Indemnified Party**” means the Seller Indemnified Party or the Buyer Indemnified Party, as the case may be.

“**Know-How**” means, collectively, any knowledge, information, techniques, technology, trade secrets, inventions (whether patentable or not), discoveries, methods, know-how, data and results, including all technical, scientific, pre-clinical, clinical and regulatory data (including pharmacological, biological and toxicological data and results), analytical and quality control data and results and other information.

“**Knowledge of Seller**” means the [\*\*\*] of the employees of Seller set forth on Schedule 1.1(b).

“**Lanra Compound**” means the lanraplenib compound, otherwise known as GS-9876, the structure of which is set forth on Schedule 1.1(a).

“**Lanra Product**” means any pharmaceutical composition(s), preparation(s), or formulation(s) that comprise(s) or contain(s) the Lanra Compound.

“**Law**” means any federal, state, local or foreign law, statute, code or ordinance, treaties (including Tax treaties) or any rule or regulation promulgated by any Governmental Entity including all decisions of any Courts having the effect of law in each such jurisdiction.

“**Liability**” means any and all debts, liabilities and obligations, whether known or unknown, asserted or unasserted, determinable or otherwise, accrued or fixed, absolute or contingent, liquidated or unliquidated, incurred or consequential, or matured or unmatured, including, without limitation, those arising under any Law, Litigation, Order, or Contract.

“**Litigation**” means any suit, action, arbitration, cause of action, claim, complaint, criminal prosecution, investigation, inquiry, demand letter, judicial, arbitration or other administrative proceeding, whether at law or at equity, before or by any Court, Governmental Entity, arbitrator or other tribunal.

“**Marketing Authorization**” means, with respect to a Product, the regulatory approval required by applicable Law to sell such Product in a country or region in the Territory. For purposes of clarity, (a) “**Marketing Authorization**” in the United States means final approval of an NDA or sNDA permitting marketing of such Product in interstate commerce in the United States; and (b) “**Marketing**

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**Authorization**” in Europe means marketing authorization for such Product granted either by a Regulatory Authority in any country in Europe, or by the EMA pursuant to Council Directive 2001/83/EC, as amended, or Council Regulation 2309/93/EEC, as amended.

“**Material Adverse Effect**” shall mean any event, change or effect that, when taken individually or together with all other adverse events, changes and effects (a) would reasonably be expected to be materially adverse to the condition (financial or otherwise), assets, business or operations of the Program, the Acquired Assets and the Products, taken as a whole, or (b) would prevent or be materially adverse to Seller’s ability to consummate the transactions contemplated by this Agreement and the Ancillary Agreements; *provided, however*, that any events, changes or effects will not be deemed to constitute a Material Adverse Effect to the extent resulting from (i) general economic, political or market conditions; (ii) any failure by Seller or the Program to meet internal projections or forecasts for any period (provided that the underlying causes of such failure may, to the extent applicable, be considered in determining whether there has been a Material Adverse Effect); (iii) any Force Majeure; (iv) changes in any Law applicable to Seller or the Program or applicable accounting regulations or principles or the interpretation thereof; or (v) any action required or permitted by this Agreement or the Ancillary Agreements or any action taken (or omitted to be taken) with the written consent of or at the written request of Buyer, but in the case of each of clauses (i)-(v), only to the extent that such changes or conditions do not have a materially disproportionate effect on the Program, the Acquired Assets and the Products, taken as a whole, compared with other comparable industry participants.

“**Materials**” means the materials set forth on Schedule 1.1(c).

“**NDA**” means a New Drug Application, as defined in the FDCA, or any successor application or procedure required to sell any Product in the United States.

“**Net Sales**” means, with respect to a Product in a country in the Territory, the gross amount invoiced for sale or other disposition of such Product in such country by Buyer or its Affiliates or licensees (the “**Selling Party**”) to Third Parties (including distributors, resellers, wholesalers and end users), less the following deductions to the extent that such amounts are either included in the billing as a line item as part of the gross amount invoiced, or otherwise documented to be specifically attributable to actual sales of the Product:

- (a) trade discounts, including trade, cash and quantity discounts or rebates, credits or refunds (including inventory management fees, discounts or credits);
- (b) allowances or credits actually granted upon claims, returns or rejections of the Product, including recalls, but not in excess of the selling price of such Product;
- (c) bad debts; *provided*, that the amount of any bad debts deducted and collected in a subsequent Calendar Quarter shall be included in Net Sales for such subsequent Calendar Quarter;
- (d) charges included in the gross sales price for freight, insurance, transportation, postage, handling and any other charges relating to the sale, transportation, delivery or return of the Product;
- (e) Taxes actually paid in connection with the transportation, distribution, import, export, use or sale of the Product (but excluding what are commonly known as income Taxes), [\*\*\*]; and
- (f) rebates and chargebacks or retroactive price reductions made to federal, state or local governments (or their agencies) to the extent such fees are specifically allocated to sales of Product

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or to any Third Party administrator or contractor, including managed health organizations, pharmacy benefit management companies and group purchasing organizations.

All of the foregoing deductions from the gross invoiced sales prices of a Product will be determined in accordance with U.S. GAAP (or, if used by the Selling Party, International Financial Reporting Standards (“IFRS”)) as consistently applied by such Selling Party with respect to external reporting. It is understood and agreed that any accruals of amounts reflected in Net Sales shall be periodically (at least on a Calendar Quarter basis) true-up in a manner consistent with the applicable Selling Party’s customary practices and in accordance with U.S. GAAP, or IFRS, as applicable, and Net Sales for the quarter in which such adjustment occurs shall be adjusted to reflect such true-up amounts. For clarification, sale of a Product by a Selling Party to another Selling Party for resale by such entity to a Third Party shall not be deemed a sale for purposes of this definition of “Net Sales” unless such entity is the end customer of such Product.

Further, use, supply or donation of the Product by a Selling Party [\*\*\*] shall not, in each case, be deemed sales of the Product for purposes of this definition of “Net Sales.”

In the event that a Combination Product is sold in any country in the Territory, Net Sales of the Combination Product will be calculated by multiplying the total Net Sales of the Combination Product by the fraction  $A/(A+B)$ , where A is the weighted average per unit selling price in the applicable country in the Territory of the Compound or Product in such Combination Product sold separately (without any Additional Active) in the same formulation and dosage in a comparable indication, and B is the sum of the weighted average per unit selling price in the applicable country in the Territory of all Additional Actives (in the same formulation and dosage in a comparable indication as in the Combination Product) in the Combination Product, as applicable, in each case sold separately during the applicable Calendar Quarter.

If, in a particular country, A can be determined, but B cannot be determined because the Additional Active(s) are not sold separately in such country, then Net Sales will be calculated by multiplying actual Net Sales of such Combination Product by the fraction  $A/C$ , where A is as defined above, and C is the total weighted average per unit selling price of the Combination Product.

If, in a particular country, B can be determined, but A cannot be determined because such Product or Compound component is not sold separately in such country, Net Sales will be calculated by multiplying actual Net Sales of such Combination Product by the fraction  $1-B/C$ , where B is defined as provided above, and C is defined as provided immediately above.

If, however, in a particular country, neither A nor B can be determined, [\*\*\*].

“**Note Purchase Agreement**” means the note purchase agreement to be executed and delivered at Closing, substantially in the form of Exhibit B-2.

“**Ongoing Clinical Trials Data**” means all data from the Ongoing Clinical Trial set forth on Schedule 1.1(d).

“**Order**” means any judgment, order, writ, injunction, ruling, stipulation, determination, award or decree of or by, or any settlement under the jurisdiction of, any Court or Governmental Entity.

“**Other Compound**” means any compound that is (a) further developed or commercialized by or on behalf of Buyer or its Affiliate as a back-up to the Ento Compound or the Lanra Compound and (b) Covered by the Transferred Patent Rights; *provided*, that Other Compound does not include the Ento Compound or the Lanra Compound.

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“**Other Product**” means any pharmaceutical composition(s), preparation(s), or formulation(s) that comprise(s) or contain(s) any Other Compound.

“**Patent Assignment Agreement**” means the patent assignment agreement, substantially in the form attached as [Exhibit C](#).

“**Patent Rights**” means the rights and interests in and to issued patents and pending patent applications (which, for purposes of this Agreement, include certificates of invention, applications for certificates of invention and priority rights) in any country or region, including any divisionals, continuations, continuations-in-part, substitutions, patents of addition, reissues, extensions, re-examinations or renewal applications related to, or claiming priority to, the foregoing (including any supplemental patent certificates) or any confirmation patent or registration patent, and all patents issuing on, and all foreign counterparts of, any of the foregoing.

“**Permitted Encumbrances**” means (a) statutory liens with respect to the payment of Taxes, in all cases which are not yet due or payable or that are being contested in good faith through proper proceedings; and (b) statutory liens of landlords, suppliers, mechanics, carriers, materialmen, warehousemen, service providers or workmen and other similar liens imposed by applicable Law created in the ordinary course of business the existence of which do not constitute a default or breach under the Transferred Agreement, excluding any of the above liens (i) to the extent they relate to any activity prior to the Closing Date, or (ii) arising in connection with the transfer of rights under this Agreement.

“**Person**” means any natural person, corporation, general partnership, limited partnership, limited liability company, proprietorship, joint venture, other business organization, trust, entity, union, association or Governmental Entity.

“**Pricing Approval**” means such governmental approval, agreement, determination or decision establishing prices for a Product that can be charged and/or reimbursed in regulatory jurisdictions where the applicable Governmental Entities approve or determine the price and/or reimbursement of pharmaceutical products.

“**Product**” means as applicable, the Ento Product, the Lanra Product or an Other Product.

“**Program**” means Seller’s current program under which Seller has been conducting Development activities directed to the development of the Ento Compound and the Lanra Compound.

“**Regulatory Authority**” means any national, supra-national (e.g. the European Commission or the Council of the European Union), regional, state or local regulatory agency, department, bureau, commission, council or other governmental entity with authority over the distribution, importation, exportation, manufacture, production, use, storage, transport, clinical testing, marketing, pricing or sale of a Product in such country or region in the Territory, including the FDA, the EMA, the UK Medicines and Healthcare products Regulatory Agency (“**MHRA**”) in the United Kingdom, and any successor entity thereto.

“**Regulatory Exclusivity**” means any exclusive marketing rights or data exclusivity rights conferred by any Governmental Entity with respect to a Product, other than Patent Rights, including rights conferred in the United States to a NDA holder under the Hatch-Waxman Act or the FDA Modernization Act of 1997 (including pediatric exclusivity), or rights similar thereto outside the United States.

“**Regulatory Filing**” means, collectively: (a) any IND, Marketing Authorization Application (MAA), drug master file, application for designation as an “Orphan Drug” under the Orphan Drug Act, for “Fast Track” status or breakthrough therapy designation under Section 506 of the FDCA

(21 U.S.C. § 356) or for a Special Protocol Assessment under Section 505(b)(4)(B) and (C) of the FDCA (21 U.S.C. § 355(b)(4)(B)) and all other similar filings (including counterparts of any of the foregoing in any country or region in the Territory); (b) all supplements and amendments to any of the foregoing; and (c) all data and other information contained in, and correspondence relating to, any of the foregoing.

“**Regulatory Materials**” means the materials set forth on Schedule 1.1(e).

“**Tax**” or “**Taxes**” means any federal, state, local or foreign income, gross receipts, branch profits, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, escheat, environmental, customs duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, registration, ad valorem, value added, alternative or add-on minimum or estimated tax or other tax of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not and including any obligation to indemnify or otherwise assume or succeed to the Tax liability of any other Person by Law, by Contract or otherwise (other than customary contracts entered into in the ordinary course of business that are not primarily related to Taxes).

“**Technology Transfer and Transition Services Agreement**” means the technology transfer and transition services agreement to be executed and delivered at Closing, substantially in the form of Exhibit D.

“**Territory**” means worldwide.

“**Third Party**” means a Person other than Buyer, Seller or their respective Affiliates.

“**Transferred Agreement**” means the agreement set forth on Schedule 1.1(f).

“**Transferred Intellectual Property**” means the Transferred Patent Rights and the Transferred Know-How.

“**Transferred Know-How**” means the Know-How set forth on Schedule 1.1(g).

“**Transferred Patent Rights**” means the Patent Rights identified in Schedule 1.1(h).

“**US GAAP**” means United States Generally Accepted Accounting Principles.

“**Valid Claim**” means (a) any claim of an issued and unexpired patent within the Transferred Patent Rights that has not been held unpatentable, invalid or unenforceable by a decision of a Court or other Governmental Entity of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been cancelled, withdrawn, revoked, abandoned or admitted to be invalid or unenforceable through reissue, disclaimer or otherwise, or (b) a claim of a pending patent application included within the Transferred Patent Rights that is being prosecuted in good faith, which has not lapsed, been abandoned, been cancelled or revoked, or been deemed unenforceable or invalid by a non-appealable decision or an appealable decision from which no appeal was taken within the time allowed for such appeal of a Court or other Governmental Entity of competent jurisdiction, which claim has not been pending for more than [\*\*\*] years from the actual filing date.

1.2 **Additional Definitions.** In addition, each of the following definitions shall have the respective meanings set forth in the section of this Agreement indicated below:

<u>Definition</u>	<u>Section</u>
Acquired Assets	2.3

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Additional Withholding Taxes	5.9.2
Agreed Claims	9.5.6
Agreement	Preamble
Assignment Consent	2.7.1
Assumed Liabilities	2.5
Buyer	Preamble
Buyer Change	5.9.2
Buyer Indemnified Parties	9.3
CDA Effective Date	CDA definition
*** Merger Agreement	3.5.1
Claim Certificate	9.5.1
Claims	9.2
Clinical Trial Agreements	2.8.2
Closing	2.1
Closing Cash Consideration	5.1
Closing Date	2.1
Commercial Milestone Event	5.4
Commercial Milestone Payment	5.4
Confidential Information	7.2.1
Cooperation Period	2.7.1
Deductible	9.4.1
Excluded Assets	2.4
Excluded Liabilities	2.6
Factors	Net Sales Definition
FIRPTA Certificate	5.9.5
IFRS	Net Sales Definition
IND Transfer	2.9
Indemnifying Party	9.5.1
Indication	5.3
Licensed Patent	7.2.6
Losses	9.2
MHRA	Regulatory Authority Definition
Non-Assignable Asset	2.7.1
Ongoing Clinical Trials	2.8.1
Party/Parties	Preamble
Purchase Price Allocation	5.9.7
Regulatory Milestone Event	5.3
Regulatory Milestone Payment	5.3
Report	3.3.1
Royalty Term	5.2.2
Seller	Preamble
Seller Disclosure Schedule	6.1
Seller Indemnified Parties	9.2
Selling Party	Net Sales Definition
Term	8.1
Third-Party Claim	9.5.1
Transfer Taxes	5.9.3
Transferred Agreement Reimbursement Amount	5.1

1.3 **Construction of Certain Terms and Phrases.** Unless the context of this Agreement otherwise requires: (a) words of any gender include each other gender; (b) words using the

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singular or plural number also include the plural or singular number, respectively; (c) the terms “hereof,” “herein,” “hereby” and derivative or similar words refer to this entire Agreement; (d) the terms “Article” or “Section” refer to the specified Article or Section of this Agreement; (e) the term “or” has, except where otherwise indicated, the inclusive meaning represented by the phrase “and/or”; and (f) the term “including” means “including without limitation.” Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified.

ARTICLE 2.  
**PURCHASE AND SALE OF ASSETS**

2.1 **Closing.** The consummation (the “**Closing**”) of the transactions contemplated by this Agreement and the Ancillary Agreements will take place remotely via the exchange of documents and signatures (or at such other time and place as the Parties mutually agree upon, orally or in writing), as promptly as practicable following the execution of this Agreement, assuming the satisfaction or waiver (by the Party entitled to the benefit of such condition) of the conditions set forth in Section 2.2 (other than conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions). The date on which the Closing occurs is referred to herein as the “**Closing Date**”.

2.2 **Closing Deliveries.**

2.2.1 On or prior to the Closing Date, Seller shall deliver to Buyer the following:

2.2.1.1 the Bill of Sale, duly executed by Seller;

2.2.1.2 the Convertible Promissory Note, duly executed by Seller;

2.2.1.3 the Note Purchase Agreement, duly executed by Seller;

2.2.1.4 the Patent Assignment Agreement, duly executed by Seller;

2.2.1.5 the Technology Transfer and Transition Services Agreement, duly executed by Seller; and

2.2.1.6 the FIRPTA Certificate, duly executed by Seller.

2.2.2 On or prior to the Closing Date, Buyer shall deliver to Seller the following:

2.2.2.1 the Closing Cash Consideration and the Transferred Agreement Reimbursement Amount, by wire transfer of immediately available funds to the account(s) designated by

Seller;

2.2.2.2 the Bill of Sale, duly executed by Buyer;

2.2.2.3 the Patent Assignment Agreement, duly executed by Buyer;

2.2.2.4 the Technology Transfer and Transition Services Agreement, duly executed by Buyer;

2.2.2.5 the Convertible Promissory Note, duly executed by Buyer; and

2.2.2.6 the Note Purchase Agreement, duly executed by Buyer.

2.3. **Purchase and Sale of Assets.** Upon the terms and subject to the conditions set forth in this Agreement, Seller hereby irrevocably sells, conveys, assigns, transfers and delivers to, and shall cause its Affiliates to sell, convey, assign, transfer and deliver to, Buyer, and Buyer hereby purchases and acquires from each of Seller or its Affiliates, as the case may be, all of Seller's and its Affiliates' right, title and interest in and to the assets described or set forth on Schedule 2.3 attached hereto (collectively, the "**Acquired Assets**"), free and clear of all Encumbrances (other than Permitted Encumbrances).

2.4. **Excluded Assets.** Notwithstanding the provisions of Section 2.3, no right, title or interest is being sold, assigned, transferred, conveyed or delivered to Buyer in or to (a) any of the property and assets of Seller that are not listed on Schedule 2.3, (b) the [\*\*\*], or (c) any rights or claims of Seller under this Agreement (collectively, the "**Excluded Assets**").

2.5. **Assumed Liabilities.** Subject to the terms and conditions of this Agreement, on the Closing Date, Buyer shall assume and agree to pay, perform and discharge the following Liabilities of Seller (the "**Assumed Liabilities**"):

2.5.1 all Liabilities resulting from the ownership, use, operation or maintenance of the Acquired Assets by Buyer to the extent that such Liability arises from any event, condition or circumstance occurring after the Closing Date and not resulting from Seller's action or inaction; and

2.5.2 all Liabilities arising under the Transferred Agreement (i) after the Closing Date to the extent that such Liabilities are not attributable to any failure by Seller or any of its Affiliates to comply with the terms thereof prior to the Closing Date and (ii) arising prior to the Closing Date, but solely to the extent set forth on Schedule 2.5.2 attached hereto.

2.6 **Excluded Liabilities.** Seller shall retain, and shall be responsible for paying, performing and discharging when due, and Buyer shall not assume or have any responsibility for paying, performing or discharging, any Liabilities of Seller and its Affiliates other than the Assumed Liabilities (the "**Excluded Liabilities**"). Without limiting the foregoing, neither Buyer nor its Affiliates shall be obligated to assume, and none of them do assume, and each of them hereby disclaims responsibility for, any of the following Liabilities of Seller and its Affiliates:

2.6.1 any Liabilities of Seller or any of its Affiliates attributable to any asset, property or right that is not included in the Acquired Assets;

2.6.2 any Liabilities of Seller or any of its Affiliates attributable to the research, development or other activity by Seller or any Affiliate related to the Acquired Assets on or prior to the Closing Date;

2.6.3 all Liabilities of Seller or any of its Affiliates arising under the Transferred Agreement prior to the Closing Date to the extent that such Liabilities are not attributable to any failure by Buyer or any of its Affiliates to comply with the terms thereof after the Closing Date, other than those Liabilities set forth on Schedule 2.5.2 attached hereto;

2.6.4 all Liabilities of Seller or any of its Affiliates arising prior to the Closing Date that give rise to Permitted Encumbrances on the Acquired Assets;

2.6.5 all Liabilities of (i) Seller for Taxes for any Tax period that are not attributable to the Acquired Assets or Assumed Liabilities, and (ii) for Taxes attributable to the Acquired

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Assets for any Tax periods (or portions thereof) ending on or before the Closing Date, in each case other than any Taxes for which Buyer is liable pursuant to Sections 5.9.2 and 5.9.3:

2.6.6 all Liabilities of Seller or any of its Affiliates to or with respect to any of its or their employees and their beneficiaries;

2.6.7 all Liabilities of Seller or any of its Affiliates with respect to the Ongoing Clinical Trials except to the extent such Liabilities are attributable to an act or omission by or on behalf of Buyer or any of its Affiliates;

2.6.8 subject to Section 3.5 and ARTICLE 9, all Liabilities of Seller or any of its Affiliates to or with respect to any [\*\*\*] to the extent such Liabilities are not attributable to a failure, whether by an act or omission, by Buyer or any of its Affiliates to comply with the covenants set forth in this Agreement related to the [\*\*\*]; and

2.6.9 all Liabilities of Seller or any of its Affiliates that arise prior to the Closing Date, including from operation of Seller's business, that are not (a) specifically included in the definition of Assumed Liabilities, or (b) described in Subsections 2.6.1 through 2.6.8 in this definition of Excluded Liabilities.

2.7 **Non-Assignable Assets.**

2.7.1 Notwithstanding the foregoing, if any Contract that would be a Transferred Agreement, or other asset that would be an Acquired Asset, is not assignable or transferable (each, a "Non-Assignable Asset") without the consent of, or waiver by, a Third Party or action by a Governmental Entity (each, an "Assignment Consent"), either as a result of the provisions thereof or applicable Laws, and any such Assignment Consent is not obtained on or prior to the Closing Date, then this Agreement and the related instruments of transfer shall not constitute an assignment or transfer of such Non-Assignable Asset and such Non-Assignable Asset shall not be included in the Acquired Assets. Each of the parties hereto, for a period of [\*\*\*] (the "Cooperation Period"), shall use commercially reasonable efforts to obtain all such Assignment Consents; *provided, however*, that nothing in this Section 2.7.1 shall require Seller or any of its Affiliates to modify any of its respective rights in a manner adverse to Seller or any of its Affiliates or to pay any fee or other payment, or incur any Liability, cost or out-of-pocket expense in connection with the efforts set forth in this Section 2.7.1, with any such Liabilities, costs or out-of-pocket expenses to be borne by Buyer. To the extent such Assignment Consents are obtained during the Cooperation Period, Seller shall assign to Buyer such Non-Assignable Assets. Following any such assignment, such assets shall be deemed Acquired Assets for purposes of this Agreement.

2.7.2 Until the expiration of the Cooperation Period, Seller shall cooperate with Buyer in any commercially reasonable arrangement reasonably designed to provide Buyer or its designee with the net benefits of the Non-Assignable Assets after the Closing as if the appropriate Assignment Consents had been obtained, including by granting rights and establishing arrangements whereby Buyer shall undertake the work necessary to perform under the Transferred Agreement. To the extent the benefits of a Non-Assignable Asset are made available to Buyer during the Cooperation Period, Buyer shall perform, at the direction of Seller, the obligations of Seller under such Non-Assignable Asset and assume all Liabilities related thereto, and economically bear any out-of-pocket additional costs in connection with such Non-Assignable Asset.

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## 2.8 Ongoing Clinical Trials; License Grant to Seller.

2.8.1 Seller is currently conducting certain ongoing clinical trials or has made certain clinical trial commitments related to the Compounds and/or the Products as set forth on Schedule 2.8.1 (the “**Ongoing Clinical Trials**”). The Parties agree that Seller will continue to conduct the Ongoing Clinical Trials until the completion of such Ongoing Clinical Trials. Seller shall deliver or make available to Buyer a copy of all Ongoing Clinical Trials Data promptly after the completion of the Ongoing Clinical Trials.

In connection with the performance of the Ongoing Clinical Trials, Seller has entered into clinical trial related agreements as set forth on Schedule 2.8.1 (the “**Clinical Trial Agreements**”) with Third Parties. The Parties agree and acknowledge that such Clinical Trial Agreements are excluded from the Transferred Agreement and Acquired Assets hereunder.

2.8.2 Buyer hereby grants to Seller (a) under its rights and interest in the Transferred Intellectual Property, a limited, non-exclusive, irrevocable, fully paid-up, royalty-free, worldwide license, with the right to grant and authorize sublicenses (through multiple tiers), solely to the extent necessary or useful to complete the Ongoing Clinical Trials and to otherwise fulfill its contractual and any related obligations under or in connection with the Ongoing Clinical Trials, and (b) a right of reference, with the right to extend such right of reference to counterparties to the Clinical Trial Agreements, to the Regulatory Materials, solely to conduct the Ongoing Clinical Trials. Such license and right of reference will terminate upon the completion of the Ongoing Clinical Trials and any contractual and related obligations.

2.8.3 If while conducting or in connection with the conduct of the Ongoing Clinical Trials, Seller determines in its reasonable discretion that additional supply of any Ento Products and/or Ento Compound is needed, Buyer hereby grants Seller a limited, non-exclusive, fully paid-up, royalty-free, irrevocable license with the right to grant and authorize sublicenses (through multiple tiers) under the Transferred Intellectual Property to manufacture, have manufactured, import, export and transport such Ento Products and/or Ento Compounds at Seller’s expense, in either case only in quantities necessary to fulfill Seller’s obligations in connection with the Ongoing Clinical Trials. Such license shall terminate upon the completion of the Ongoing Clinical Trials.

2.9 **Adverse Events.** From and after the date on which the applicable IND is transferred from Seller to Buyer (the “**IND Transfer**”), except for adverse events in connection with the Ongoing Clinical Trials, Buyer will assume all responsibility for reporting adverse events (a) involving any Product to the applicable Governmental Entity as promptly as practicable and in any event in the timeframe required by Law and/or (b) pursuant to any adverse event reporting obligations set forth in the Transferred Agreement or Technology Transfer and Transition Services Agreement. For clarity, prior to the date of an IND Transfer with respect to an applicable IND and its related reporting, Seller will remain responsible for the activities described in the foregoing subclauses (a) and/or (b) to the extent applicable.

2.10 **Buyer and Seller Pharmacovigilance Agreement and Quality Agreement.** Within [\*\*\*] days following the Closing, the Parties shall enter into (a) a pharmacovigilance agreement to govern the exchange of safety data and other similar information, and (b) a quality agreement to govern quality-related matters pertaining to the Inventory, in each case of the foregoing subclauses (a) and (b), on terms mutually acceptable to the Parties and that will allow each Party to satisfy any Third Party commitment, including regulatory reporting obligations.

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ARTICLE 3.  
**DEVELOPMENT AND COMMERCIALIZATION OF PRODUCTS; ONGOING OBLIGATIONS**

3.1 **Responsibility.** Subject to Section 2.8, as between the Parties, Buyer shall have the sole right and responsibility, at its sole cost and expense, for the conduct of all Development and Commercialization activities applicable to the Compounds or Products for use in the Field and in the Territory after the Closing Date. Buyer's obligations under this ARTICLE 3 will be in effect only from and after the Closing.

3.2 **Diligence.** In addition to the obligations set forth in Section [\*\*\*] of the [\*\*\*] Merger Agreement, following the Closing Date, Buyer (directly or through its Affiliate) shall use Commercially Reasonable Efforts (a) to Develop the Compounds and to obtain Marketing Authorization for at least one Ento Product or Lanra Product in accordance with the Development Plan and (b) to Commercialize at least one Ento Product or Lanra Product in the Field and in the Territory upon Marketing Authorization. Buyer shall (i) perform its obligations under this Agreement in good scientific manner and in compliance with all applicable Law in all material respects, (ii) during the period prior to [\*\*\*], notify Seller in writing if it has made material changes to the Development Plan and (iii) notify Seller in writing if it has determined to [\*\*\*]. For clarity, Buyer shall not be deemed to be in breach of, or to have failed to comply with, this Section 3.2 to the extent a delay in Development by Buyer that would otherwise constitute a breach of its diligence obligations under this Section 3.2 is directly and proximately resulting from Seller's failure to comply with any of its related obligations under the Technology Transfer and Transition Services Agreement.

3.3 **Reports.**

3.3.1 **Records; Reports.** Buyer shall (a) maintain records of its Development and Commercialization activities with respect to Compounds and Products under this Agreement in sufficient detail and in good scientific manner, which shall reflect work performed and results achieved in the conduct of such Development and Commercialization activities and (b) keep Seller reasonably informed regarding the Development and Commercialization activities conducted with respect to Compounds and Products by providing Seller with [\*\*\*] reports within [\*\*\*] after the end of each [\*\*\*] summarizing the activities under/taken by Buyer, its Affiliates and its (sub)licensees during the prior [\*\*\*] (each, a "Report"); *provided that* Buyer's obligation to deliver such Reports shall terminate following [\*\*\*] (whichever is later). Subject to reasonable confidentiality undertakings, Buyer shall also provide such reports as Seller may reasonably request from time to time to comply with Seller's reporting obligations under Section [\*\*\*] of the [\*\*\*] Merger Agreement.

3.3.2 **Content of Reports.** Each Report provided pursuant to Section 3.3.1 will include at least information regarding: (a) completed activities with respect to the Development of Compounds and Products as well as the anticipated Development activities planned in the subsequent [\*\*\*]; and (b) the anticipated date and actual date, as applicable, of the First Commercial Sale of each Product in each of [\*\*\*] and [\*\*\*].

3.4 **Audit.** Buyer and its Affiliates will keep complete and accurate records in reasonably sufficient detail to permit Seller to confirm the accuracy of the calculation of royalty payments under Section 5.2 and the Commercial Milestone Payments under Section 5.4. At the request of Seller, Buyer shall, and shall cause its Affiliates to, permit an independent auditor designated by Seller and reasonably acceptable to Buyer, at reasonable times and upon reasonable notice, to audit the books and records maintained pursuant to the preceding sentence, for a period of [\*\*\*] years after the Calendar Year to which such records pertain, to ensure the accuracy of all royalty reports, royalties and Commercial Milestone Payments made hereunder. Such examinations may not be conducted more than once in any

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[\*\*\*] period (unless a previous audit during such [\*\*\*] period revealed an underpayment with respect to such period), and no records may be audited more than [\*\*\*], except, in each case, in the event of any actual or alleged (in good faith) fraud. Such auditor shall enter into a confidentiality agreement with Buyer and shall not disclose Buyer's confidential information, except (a) to disclose the findings and results of the audit to Seller and (b) to the extent such disclosure is necessary to verify the accuracy of the financial reports furnished by Buyer or the amount of payments due by Buyer under this Agreement. Except as provided below, the cost of this audit shall be borne by Seller, unless the audit reveals an underpayment of more than [\*\*\*] percent ([\*\*\*]%) from the reported amounts for the audited period, in which case Buyer shall bear the cost of the audit.

**3.5 Assumption of Rights and Obligations under [\*\*\*] Merger Agreement.**

3.5.1 The Parties acknowledge and agree that Seller is a party to that certain [\*\*\*](as may be amended, restated or supplemented from time to time, the "[\*\*\*] Merger Agreement"), pursuant to which Seller acquired a portion of the Acquired Assets. [\*\*\*]

3.5.2 Buyer acknowledges and agrees that it has received a copy of the [\*\*\*]Merger Agreement, [\*\*\*]. Buyer hereby covenants to execute, acknowledge and deliver such assignments, transfers, consents, assumptions and other documents and instruments and take such other actions as are reasonably necessary or otherwise reasonably requested from time to time by Seller to enable Seller to comply with the [\*\*\*], including without limitation, the obligations of Seller with respect to any [\*\*\*] set forth in Section [\*\*\*] of the [\*\*\*] Merger Agreement, and the covenants and obligations related to the [\*\*\*] set forth in this Agreement.

3.5.3 Following the Closing, Buyer shall be solely liable for any breach or failure to comply with the [\*\*\*].

**ARTICLE 4.**

**CONTROL OF TRANSFERRED PATENTS**

**4.1 Control of Transferred Patents.**

4.1.1 From and after the Closing, Buyer, acting through patent counsel or agents of its choice, shall be solely responsible, in its sole discretion, for the preparation, filing, prosecution, maintenance, defense and enforcement of all Transferred Patent Rights throughout the Territory; *provided*, that Buyer shall be obligated to maintain in full force and effect the Transferred Patent Rights through [\*\*\*]. All patent costs and expenses incurred by Buyer in connection with the preparation, filing, prosecution, maintenance, defense and/or enforcement of such Transferred Patent Rights shall be the sole responsibility of Buyer.

4.1.2 From and after the Closing, Buyer shall use commercially reasonable efforts (as such efforts are interpreted under the [\*\*\*] Merger Agreement) to prosecute and maintain the [\*\*\*] (as defined in the [\*\*\*] Merger Agreement) in [\*\*\*] and shall use commercially reasonable efforts (as such efforts are interpreted under the [\*\*\*] Merger Agreement) to obtain the issuance of and thereafter maintain a [\*\*\*] in [\*\*\*] covering [\*\*\*] (as defined in the [\*\*\*]Merger Agreement) for which Buyer or an Affiliate commences any [\*\*\*] (as defined in the [\*\*\*] Merger Agreement).

**ARTICLE 5.**

**PURCHASE PRICE AND OTHER PAYMENTS**

5.1 **Closing Consideration.** In partial consideration for the rights granted herein, including rights to the Acquired Assets, Buyer shall (a) pay Seller on the Closing Date an amount in cash

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equal to Three Million Dollars (\$3,000,000) (the “Closing Cash Consideration”), (b) issue Seller the Convertible Promissory Note, which shall be subject to the terms and conditions set forth in the Note Purchase Agreement and (c) reimburse Seller on the Closing Date an amount in cash equal to \$712,502.33, which amount fully extinguishes the Assumed Liabilities of Buyer set forth on Schedule 2.5.2 (the “**Transferred Agreement Reimbursement Amount**”); and Seller agrees to issue to Buyer an invoice for such Transferred Agreement Reimbursement Amount promptly following the Closing Date.

**5.2 Payment of Royalties; Royalty Rates.**

**5.2.1 Payment of Royalties.** From and after the Closing, Buyer shall pay Seller a royalty on the Annual Net Sales of each Product by Buyer, its Affiliates or licensees in a given Calendar Year (or partial Calendar Year), on a Product-by-Product basis, commencing with the First Commercial Sale of such Product in any country in the Territory, at the following rates:

<b>Annual Net Sales Increment</b>	<b>Ento Product: Royalty Rate (%)</b>	<b>Lanra Product: Royalty Rate (%)</b>	<b>Other Product: Royalty Rate (%)</b>
For the portion of the Annual Net Sales of such Product in any given Calendar Year which is less than or equal to \$[***]	[***]%	[***]%	[***]%
For the portion of the Annual Net Sales of such Product in any given Calendar Year which is greater than \$[***] but less than or equal to \$[***]	[***]%	[***]%	[***]%
For the portion of the Annual Net Sales of such Product in any given Calendar Year which is greater than \$[***] but less than or equal to \$[***]	[***]%	[***]%	[***]%
For the portion of the Annual Net Sales of such Product in any given Calendar Year which is greater than \$[***]	[***]%	[***]%	[***]%

For purposes of clarity, (a) each royalty rate will only apply to the corresponding tier of Annual Net Sales, and (b) the determination of the royalty rate under this Section 5.2.1 shall be based on aggregate, worldwide Annual Net Sales of the relevant Product in each Calendar Year.

**5.2.2 Expiration of Royalties.** Such royalties shall be payable on a Product-by- Product and country-by-country basis commencing upon the First Commercial Sale of such Product in such country and continuing until the latest of (a) the ten (10)-year anniversary of the First Commercial Sale of such Product in such country, (b) expiration of the last-to-expire Valid Claim of the Transferred Patent Rights claiming the composition of matter or method of use of such Product in such country, and (c) expiration of any Regulatory Exclusivity for such Product in such country (the “**Royalty Term**” for such Product and country).

**5.2.3 Royalty Reduction for No Valid Claim.** Subject to Section 5.2.5, on a Product-by-Product and country-by-country basis, if a Product is sold in a country in which no Valid

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Claim included in the Transferred Patent Rights Covers such Product in such country, then the royalty otherwise payable to Seller pursuant to Section 5.2.1 with respect to such Product and country shall be reduced to [\*\*\*] percent ([\*\*\*]%) of the royalty otherwise payable pursuant to Section 5.2.1, commencing in [\*\*\*] in which there is no such Valid Claim and for [\*\*\*].

5.2.4 **Royalty Reduction for Generic Entry.** Subject to Section 5.2.5, if a Generic Product to a Product is sold in any country during the Royalty Term for such Product and country, then the royalty otherwise payable to Seller pursuant to Section 5.2.1 with respect to such Product and country shall be reduced to [\*\*\*] percent ([\*\*\*]%) of the royalty otherwise payable pursuant to Section 5.2.1, commencing in [\*\*\*] in which such Generic Product is sold and for [\*\*\*].

5.2.5 **Third Party Intellectual Property.** On a Product-by-Product, Calendar Quarter-by-Calendar Quarter and country-by-country basis, Buyer may deduct from any royalties payable to Seller under Section 5.2.1 up to [\*\*\*] percent ([\*\*\*]%) of all royalties paid by Buyer or its Affiliates or licensees during such Calendar Quarter for any Third Party Patent Rights that would be infringed by the Development or Commercialization of the Ento Product or Lanra Product in [\*\*\*]; provided that under no circumstances shall the royalties payable to Seller for any Calendar Quarter be reduced below [\*\*\*] percent ([\*\*\*]%) of the amounts otherwise due under Section 5.2.1 and at all times subject to Section 5.2.6.

5.2.6 **Royalty Floor.** Notwithstanding anything to the contrary herein, in no event shall the cumulative application of the royalty reductions in Sections 5.2.3, 5.2.4 and 5.2.5 result in a reduction of the royalty otherwise payable pursuant to Section 5.2.1 for (a) the Ento Product or the Lanra Product by more than [\*\*\*] percent ([\*\*\*]%), or (b) for any Other Product below [\*\*\*] percent ([\*\*\*]%), in each case (a) or (b)), with respect to any given Product, country and Calendar Quarter.

5.2.7 **Royalty Payments and Reporting.** Buyer shall calculate all amounts payable to Seller pursuant to Section 5.2 at the end of each Calendar Quarter and shall provide a written estimate of such amount, including the associated assumptions utilized for such estimate, within [\*\*\*] days after the end of such Calendar Quarter. Buyer shall pay Seller the royalty amounts due with respect to a given Calendar Quarter within [\*\*\*] days after the end of such Calendar Quarter. Each payment of royalties due to Seller shall be accompanied by a statement of the amount of gross sales and Net Sales of each Product in each country during the applicable Calendar Quarter (including such amounts expressed in local currency and as converted to Dollars) and a calculation of the amount of royalty payment due on such Net Sales for such Calendar Quarter (including all deductions and reductions).

5.3 **Regulatory Milestone Payments.** From and after the Closing, following the first achievement of each regulatory milestone event set forth in the table below (each such event, a “**Regulatory Milestone Event**”), Buyer shall pay, or cause to be paid, to Seller a one-time, non-refundable and non-creditable corresponding milestone payment (each, a “**Regulatory Milestone Payment**”) within [\*\*\*] Business Days after receipt of an invoice from Seller issued no earlier than the first achievement of such Regulatory Milestone Event. Buyer shall notify Seller as soon as reasonably practicable (but no more than [\*\*\*] Business Days) after each Regulatory Milestone Event is first achieved. For the avoidance of doubt, each Regulatory Milestone Payment shall be payable one time only for each Ento Product, Lanra Product and Other Product upon the first achievement of the corresponding Regulatory Milestone Event for such Ento Product, Lanra Product and Other Product (as applicable), regardless of the number of times such Regulatory Milestone Event may be achieved. As used in the table below, “**Indication**” means an individual, separate and distinct disease or medical condition for which (a) [\*\*\*] or (b) a [\*\*\*]. For clarity, subpopulations of patients with a [\*\*\*] or [\*\*\*] shall be

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deemed to be separate "Indications", including [\*\*\*] by [\*\*\*] or [\*\*\*]. In addition, [\*\*\*] with a Product [\*\*\*].

<b>Regulatory Milestone Payments</b>						
<b>Regulatory Milestone Event</b>	<b>Ento Compound: 1st Indication</b>	<b>Ento Compound: 2nd Indication</b>	<b>Lanra Compound: 1st Indication</b>	<b>Lanra Compound: 2nd Indication</b>	<b>Other Compound: 1st Indication</b>	<b>Other Compound: 2nd Indication</b>
[***]	\$[***]	\$[***]	\$[***]	\$[***]	\$[***]	\$[***]
[***]	\$[***]	\$[***]	\$[***]	\$[***]	\$[***]	\$[***]

5.4 **Commercial Milestone Payments.** From and after the Closing, following the first achievement of each commercial milestone event set forth in the table below with respect to aggregate Net Sales of all Products in a given Calendar Year (each such event, a "**Commercial Milestone Event**"), Buyer shall pay, or cause to be paid, to Seller a one-time, non-refundable and non-creditable corresponding milestone payment (each, a "**Commercial Milestone Payment**") within [\*\*\*] days after the end of the Calendar Year in which such Commercial Milestone Event is achieved. Buyer shall notify Seller as soon as reasonably practicable (but no more than [\*\*\*] days) after the end of a Calendar Quarter in which a Commercial Milestone Event is first achieved. For the avoidance of doubt, each Commercial Milestone Payment listed below shall be payable one time only, upon the first achievement of the corresponding Commercial Milestone Event, regardless of the number of times such Commercial Milestone Event may be achieved.

<b>Commercial Milestones</b>	
<b>Commercial Milestone Event</b>	<b>Commercial Milestone Payment</b>
Calendar Year Net Sales of all Products equals or exceeds \$[***]	\$[***]
Calendar Year Net Sales of all Products equals or exceeds \$[***]	\$[***]
Calendar Year Net Sales of all Products equals or exceeds \$[***]	\$[***]

5.5 **[\*\*\*] Milestones.** Buyer agrees to comply with the following obligations in order to enable Seller to comply with its obligations under the [\*\*\*] Merger Agreement. All defined terms that are not otherwise defined in this Section 5.5 are defined according to the [\*\*\*] Merger Agreement.

5.5.1 Buyer shall provide Seller written notice of the initiation of each [\*\*\*] of any Syk Compound (as each such term is defined in the [\*\*\*] Merger Agreement) within [\*\*\*] days of such initiation, and shall keep Seller reasonably informed of the progress thereof. Without limiting the generality of the foregoing, Buyer shall keep Seller reasonably informed of the analysis of the data from such [\*\*\*], and shall notify Seller in writing of Buyer's determination that the [\*\*\*] of such [\*\*\*] have been met or not met, within [\*\*\*] days of making such determination. At the request of Seller, and subject to the obligations of confidentiality assumed by Seller under Section 7.2 of this Agreement, Buyer will give Seller a copy of a summary analysis prepared by or on behalf of Buyer of whether the [\*\*\*] of the [\*\*\*] have been met (but for clarity, Seller will not be given access to [\*\*\*], [\*\*\*] and Buyer will not be obligated to provide [\*\*\*] to Seller) and Seller may timely share such summary pursuant to its

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obligations under the [\*\*\*] Merger Agreement. In the event that Buyer initiates a Phase III Clinical Trial of any Syk Compound and if at such time the [\*\*\*] has not been paid in full pursuant to Section [\*\*\*] of the [\*\*\*] Merger Agreement, Buyer shall give Seller written notice of the initiation of such Phase III Clinical Trial of such Syk Compound within [\*\*\*] days of such initiation.

5.5.2 Following the achievement, if any, of the [\*\*\*] Milestone by a Syk Compound, Buyer shall deposit by wire transfer of immediately available funds to an account designated by Seller, cash in an amount equal to the applicable [\*\*\*]; provided that such amount will be subject to the reduction and true-up described in Section [\*\*\*] and Section [\*\*\*] of the [\*\*\*] Merger Agreement, as applicable and to the extent allowed. The Parties agree that the Ento Compound is deemed a [\*\*\*] for the purposes of this Section 5.5.

5.6 **Payments in Dollars.** All payments made by Buyer under this ARTICLE 5 shall be made by wire transfer from a banking institution in Dollars in accordance with instructions given in writing from time to time by Seller.

5.7 **Foreign Currency Exchange.** For the purpose of calculating any sums due under, or otherwise reimbursable pursuant to, this Agreement (including the calculation of Net Sales) expressed in currencies other than Dollars, Buyer shall convert any amount expressed in a foreign currency into Dollar equivalents using the actual exchange rate for the date payment is due or, in the case of royalties, the average exchange rate over the applicable Calendar Quarter, for converting the applicable currency into Dollars, as such rate is reported in the *Wall Street Journal*.

5.8 **Overdue Payments.** Any amounts not paid by Buyer when due shall be subject to interest from and including the date payment is due, through and including the actual date of payment by Buyer, at a rate equal to the sum of [\*\*\*] percent ([\*\*\*]%) plus the prime rate of interest quoted in the *Wall Street Journal* (West Coast edition) calculated daily on the basis of a 365-day year, or if such edition is unavailable, a similar reputable data source.

5.9 **Taxes.**

5.9.1 **Taxes on Income.** Each Party shall be solely responsible for the payment of all Taxes, fees, duties, levies or similar amounts imposed on its share of income arising directly or indirectly from the activities of the Parties under this Agreement.

5.9.2 **Tax Withholding.** To the extent Buyer determines that it is required by applicable Law to deduct and withhold Taxes from the consideration otherwise payable pursuant to this Agreement to Seller, Buyer shall (i) notify Seller in writing of such determination and allow Seller a reasonable opportunity to obtain reduced rates of withholding or other available exemptions, if any, and (ii) pay the amounts of such Taxes to the proper Governmental Entity in a timely manner and promptly transmit to Seller an official tax certificate or other evidence of such payment sufficient to enable Seller to claim such payment of Taxes. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to Seller. Notwithstanding the foregoing, if solely as a result of Buyer assigning this Agreement or changing its domicile (a "**Buyer Change**"), additional withholding Taxes become due that would not have otherwise been due hereunder with respect to payments under this Agreement, Buyer shall be responsible for any such additional withholding Taxes directly resulting solely from such Buyer Change ("**Additional Withholding Taxes**") and shall pay Seller such amounts as are necessary to ensure that Seller receives the same amount as it would have received if no such Additional Withholding Taxes had become due.

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5.9.3 **Transfer Taxes.** Notwithstanding anything to the contrary in this Agreement, 100% of any documentary, sales or use, goods and services, value-added, gross receipts, stamp, registration or other similar transfer taxes, including all recording or filing fees, notarial fees and other similar costs, that may be imposed, payable, collectible or incurred in connection with the transfer and sale of the Acquired Assets as contemplated by the terms of this Agreement ("**Transfer Taxes**") shall be borne by Buyer. Seller shall promptly furnish Buyer with valid Tax invoices pursuant to applicable Law and remit the amounts of such Tax to the proper Governmental Entity in a timely manner.

5.9.4 **Tax Cooperation.** The Parties agree to cooperate with one another and use reasonable efforts to avoid or reduce Tax withholding, Transfer Taxes, or similar obligations in respect of the payments made by a Party under this Agreement, as permitted by applicable Law.

5.9.5 **FIRPTA Certificate.** Seller shall deliver to Buyer at the Closing a properly executed affidavit prepared in accordance with Treasury Regulations Section 1.1445-2(b) certifying Seller's non-foreign status (the "**FIRPTA Certificate**").

5.9.6 **Adjustment to Purchase Price.** Any payments made pursuant to Section 5.2, Section 5.3, Section 5.4, Section 5.5 and ARTICLE 9 shall constitute an adjustment of the purchase price for Tax purposes and shall be treated as such by Buyer and Seller on their Tax returns to the extent permitted by law.

5.9.7 **Purchase Price Allocation.** The parties hereto hereby agree to allocate the purchase price for Tax purposes in accordance with the allocation schedule to be prepared and delivered by Seller to Buyer within one hundred twenty (120) days following the Closing Date (the "**Purchase Price Allocation**"). In the event that the purchase price is subsequently adjusted pursuant to the terms of this Agreement, including pursuant to Section 5.2, Section 5.3, Section 5.4, Section 5.5 or ARTICLE 9, Seller shall deliver to Buyer a revised Purchase Price Allocation as soon as reasonably practicable following such adjustment, but in no event shall Seller be obligated to provide such revised Purchase Price Allocation any sooner than one hundred twenty (120) days following the date that the purchase price is adjusted pursuant to the terms of this Agreement. Seller, Buyer and each of their Affiliates shall file all Tax Returns in a manner consistent with the Purchase Price Allocation, as the same may be revised pursuant to this Section 5.9.7. Neither party shall take any action or position with any third party or otherwise inconsistent with such Purchase Price Allocation.

ARTICLE 6.  
**REPRESENTATIONS AND WARRANTIES**

6.1 **Representations and Warranties of Seller.** Subject to the terms of this Agreement and except as set forth in the corresponding sections or subsections of the disclosure schedules attached hereto (the "**Seller Disclosure Schedule**"), Seller represents and warrants to Buyer that the statements in this Section 6.1 are true, complete and correct as of the Closing Date:

6.1.1 **Organization and Standing.** Seller is a corporation duly organized, validly existing and in good standing under the Laws of Delaware.

6.1.2 **Authorization.** Seller has all requisite power and authority to execute this Agreement, to carry out and perform its obligations under this Agreement and the Ancillary Agreements and to consummate the transactions contemplated to be performed by it hereunder and thereunder. The execution, delivery and performance by Seller of this Agreement and the Ancillary Agreements, and the consummation of the transactions contemplated hereunder and thereunder, have been duly and validly authorized by all necessary action of Seller.

6.1.3 **Binding Agreement.** This Agreement has been, and each of the Ancillary Agreements to which Seller is or will be a party, will be at the Closing, duly and validly executed and delivered on behalf of Seller and, assuming the due authorization, execution and delivery by Buyer, constitutes the legal and binding obligation of Seller enforceable against Seller in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally and to general equity principles (whether considered in a proceeding in equity or at law).

6.1.4 **Consents; No Violation, Etc.** The execution and delivery of this Agreement and the Ancillary Agreements do not, and the consummation of the transactions contemplated hereby and thereby will not (a) violate any Law applicable to Seller, (b) conflict with any provision of the certificate of incorporation, bylaws or other organizational documents of Seller, (c) give rise to any approval, authorization, consent, license, filing or registration with any Court or Governmental Entity or (d) violate any material Contract of, or to which Seller is a party or subject to or by which it or any of its assets or properties is otherwise bound; *provided, however*, that no representation or warranty is made in the foregoing clauses (a), (c) or (d) with respect to matters that, individually or in the aggregate, would not result in a Material Adverse Effect.

6.1.5 **Title to Acquired Assets.** Seller has good and valid title, right and interest to the tangible Acquired Assets held by Seller or has valid contract rights to, as applicable, to the tangible Acquired Assets held by Seller, free and clear of all Encumbrances, other than Permitted Encumbrances.

6.1.6 **Litigation.** Since January 1, 2019, (a) there has been no Litigation pending or, to the Knowledge of Seller, threatened against Seller relating to the Acquired Assets or which challenges the transactions contemplated by this Agreement and (b) there have been no material Orders of any Governmental Authority imposed upon Seller, in each case with respect to the Program or the transactions contemplated by this Agreement and the Ancillary Agreements.

6.1.7 **Regulatory.**

6.1.7.1 Seller has made available to Buyer all material filings, declarations, listings, registrations, reports, applications, request for approvals, exemptions, permits, submissions and other regulatory authorizations from the FDA with respect to the Program.

6.1.7.2 Seller or, to the Knowledge of Seller, its predecessor to the Program owns, holds or possesses (and at the time of performance of any preclinical research that it conducted or sponsored, it or, to the Knowledge of Seller, its predecessor to the Program did own, hold or possess) all material licenses, franchises, permits, privileges, immunities, approvals and other authorizations from Governmental Entities which are (or at the time of the performance of any such preclinical research were) necessary in order to conduct the activities in connection with the Compounds. To the Knowledge of Seller, no event has occurred or condition or state of facts exists which constitutes or, after notice or lapse of time or both, would (i) constitute a breach or default or (ii) would permit revocation or termination under any permit issued by a Governmental Entity in connection with the Compounds that would adversely affect the rights of Seller under such permit.

6.1.7.3 None of Seller nor any of its officers, employees or agents has made an untrue statement of material fact or fraudulent statement to the FDA or other Governmental Entity, failed to disclose a material fact required to be disclosed to the FDA or other Governmental Entity, in each case, with respect to the Program. None of Seller nor any of its officers, employees or agents in

connection with the Program has been convicted of any crime or engaged in any conduct for which debarment is mandated by 21 U.S.C. Section 335a(a).

6.1.7.4 To the Knowledge of Seller, Seller has not used the services of any employee who is debarred under Section 306 of the FDCA in connection with the Development of any information related to any Compound, which information was or is intended to be submitted to the FDA.

6.1.7.5 Seller has not received any written notice from the FDA or any other Governmental Entity that any Compound cannot be developed, tested, labeled, manufactured, stored, marketed, promoted or distributed.

6.1.7.6 Seller has not received any written notice or other correspondence from the FDA or any other Governmental Entity commencing, or threatening to initiate, any action to place a clinical hold order on, or to terminate, delay, suspend, or materially modify any Ongoing Clinical Trial sponsored by Seller.

**6.1.8 Transferred Agreement.**

Seller has made available to Buyer prior to the Closing Date, a complete, legible and correct copy of the Transferred Agreement as in effect on the Closing Date. Except as set forth on Schedule 6.1.8.1, Seller is not in material breach of or default under the terms of the Transferred Agreement and, to the Knowledge of Seller, the other party to the Transferred Agreement is not in material breach of or default under the terms of the Transferred Agreement. The Transferred Agreement is a legal, valid and binding obligation of Seller and, to the Knowledge of Seller, of each other party thereto, and is in full force and effect, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally and to general equity principles (whether considered in a proceeding in equity or at law).

6.1.8.1 Except as set forth on Schedule 6.1.8.2, Seller has not received written notice from any Person since March 31, 2020 regarding any actual or alleged violation or breach of, or default under, the Transferred Agreement or stating that such Person intends to terminate, cancel or, except as set forth on Schedule 6.1.8.2, make any material change to the Transferred Agreement, in each case that would be material to the conduct of the Program taken as a whole. Other than as contemplated herein in connection with the transactions contemplated by this Agreement and the Ancillary Agreements, and except as set forth on Schedule 6.1.8.2, to the Knowledge of Seller, there are no pending renegotiations or amendments of the Transferred Agreement that would be material to the conduct of the Program.

**6.1.9 Intellectual Property.**

6.1.9.1 As of the Closing Date, the Transferred Patent Rights constitute all Patent Rights owned by Seller and its Affiliates that are exclusively directed to and Cover the manufacture, use, and composition of matter of the Compounds and/or the Products, and to Seller's Knowledge, the Transferred Know-How constitutes all Know-How that is being used by or on behalf of Seller in connection with Seller's current Development and manufacturing activities as of the Closing Date for the Compounds and/or Products under the Program; *provided, however*, that the Parties acknowledge and agree that any failure to transfer a Patent Right or Know-How that is otherwise required shall not be considered a breach and Buyer's sole remedy for such failure or omission shall be the cooperation of the Parties to transfer such omitted Patent Right(s) and/or Know-How, which transfer shall be consummated no later than thirty (30) days from the date on which Buyer notifies Seller in writing of



such failure of omission. To the Knowledge of Seller as of the Closing Date, the Transferred Patent Rights are in effect and subsisting.

6.1.9.2 There is no legal or administrative proceeding or arbitration pending against Seller or, to its Knowledge, threatened, that challenges the validity, enforceability, priority, scope, ownership, or registrability of, or use or right to use, any Transferred Intellectual Property, including any interference, re-examination, opposition or cancellation proceedings (other than those associated with the normal examination and approval of pending patent applications).

6.1.9.3 To the Knowledge of Seller as of the Closing Date, [\*\*\*].

**6.1.10 Inventory; Clinical Trials.**

6.1.10.1 All of the inventory set forth in Schedule 6.1.10 (i) was produced or manufactured and has been stored and transferred in compliance with cGMP to the extent so indicated in Schedule 6.1.10 and (ii) has at least the shelf life indicated in Schedule 6.1.10 (if no shelf life is specified in Schedule 6.1.10 then no shelf life assurances are provided).

6.1.10.2 To the Knowledge of Seller, all clinical trial activities conducted by Seller relating to the Compounds, including all Ongoing Clinical Trials sponsored by Seller, have been conducted in compliance with all applicable Laws, including without limitation all applicable cGCPs and cGLPs.

6.1.10.3 The Ongoing Clinical Trials and the clinical trial being conducted under the Clinical Trial Participation Agreement are the only clinical trials of any Compounds that are being conducted as of the Closing Date.

6.1.11 **Product Liabilities.** Seller has not, in connection with any Product, received any written claim for or based upon breach of product warranty, strict liability in tort, negligent manufacture of product, negligent provision of services or any product complaint, adverse event report or any similar allegation of liability, including or resulting in product recalls and including or resulting in bodily injury or property damage arising from the materials, design, testing, manufacture, packaging, labeling (including instructions for use) or sale of any Products or from the provision of services in connection with any Products; and, to the Knowledge of Seller, there is no basis for any such claim. Seller does not sell and has never sold any Products.

6.1.12 **Taxes.** Except for Transfer Taxes as provided in Section 5.9.3 and Permitted Encumbrances, Seller has no Liability for Taxes with respect to the Acquired Assets that are accrued but unpaid as of the Closing Date.

6.1.13 **Brokers.** No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Seller, except those for which Seller will be solely responsible.

6.1.14 **[\*\*\*] Merger Agreement.** As of the Closing Date:

6.1.14.1 Seller is not in material breach of or default under the terms of the [\*\*\*] Merger Agreement and, to the Knowledge of Seller, no other party to the [\*\*\*] Merger Agreement is in material breach of or default under the terms of the [\*\*\*] Merger Agreement as it relates specifically to the Acquired Assets, and there is no event occurring as a direct or reasonably foreseeable result of Seller's action or inaction or, to the Knowledge of Seller, through the action or inaction of any

**\*\*\*Certain Confidential Information Omitted**

party to the [\*\*\*] Merger Agreement that with notice or the lapse of time or both would constitute a material breach of or default under its terms as it relates specifically to the Acquired Assets;

6.1.14.2 Seller has not received written notice from any Person regarding any actual or alleged material violation or breach of, or material default under, the [\*\*\*] Merger Agreement or stating that such Person intends to terminate, cancel or make any material change to the [\*\*\*] Merger Agreement; and

6.1.14.3 neither Seller nor any of its Affiliates has paid any [\*\*\*] pursuant to Section [\*\*\*] of the [\*\*\*] Merger Agreement.

6.2 **Representations and Warranties of Buyer.** Buyer represents and warrants to Seller that the statements in this Section 6.2 are true, complete and correct as of the Closing Date:

6.2.1 **Organization and Standing.** Buyer is a corporation duly organized, validly existing and in good standing under the laws of Delaware.

6.2.2 **Authorization.** Buyer has all requisite corporate power and authority to execute this Agreement and the Ancillary Agreements, to carry out and perform its obligations under this Agreement and the Ancillary Agreements and to consummate the transactions contemplated to be performed by it hereunder and thereunder. The execution, delivery and performance by Buyer of this Agreement and the Ancillary Agreements, and the consummation of the transactions contemplated hereunder and thereunder, have been duly and validly authorized by all necessary action of Buyer.

6.2.3 **Binding Agreement.** This Agreement has been, and each of the Ancillary Agreements to which Buyer is or will be a party, will be at the Closing, duly and validly executed and delivered on behalf of Buyer and, assuming the due authorization, execution and delivery by Seller, constitutes the legal and binding obligation of Buyer enforceable against Buyer in accordance with their terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally and to general equity principles (whether considered in a proceeding in equity or at law).

6.2.4 **Consents; No Violations, Etc.** The execution and delivery of this Agreement and the Ancillary Agreements do not, and the consummation of transactions contemplated hereby and thereby will not (a) violate any Law applicable to Buyer, (b) conflict with any provision of the certificate of incorporation or bylaws of Buyer, (c) give rise to any approval, authorization, consent, license, filing or registration with any Court or Governmental Entity or (d) violate any material Contract of, or to which Buyer is a party or subject to or by which it or any of its assets or properties is otherwise bound; *provided, however*, that no representation or warranty is made in the foregoing clauses (a), (c) or (d) with respect to matters that, individually or in the aggregate, would not be reasonably expected to materially interfere with Buyer's performance of its obligations hereunder.

6.2.5 **Financial Capability.** Buyer will have available sufficient cash or other sources of immediately available funds to pay all amounts payable pursuant to ARTICLE 5, including any [\*\*\*] (as defined in the [\*\*\*] Merger Agreement), Commercial Milestone Payments, Regulatory Milestone Payments and royalties, in each case if, as and when due, and Buyer's obligations hereunder are not subject to any conditions regarding Buyer's ability to obtain financing for the transactions contemplated by this Agreement.

6.2.6 **Litigation.** As of the Closing Date, there is no Litigation pending or, to the knowledge of Buyer, threatened against Buyer or any of its Affiliates, which (a) challenges the transactions contemplated by this Agreement or the Ancillary Agreements, (b) if adversely determined

**\*\*\*Certain Confidential Information Omitted**

would delay the ability of Buyer to perform its obligations hereunder on the Closing Date or (c) would have a material adverse effect on Buyer. There is no material Litigation pending by Buyer or which Buyer intends to initiate against any other Person relating to the transactions contemplated by this Agreement or the Ancillary Agreements.

6.2.7 **No Brokers.** No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Buyer, except those for which Buyer will be solely responsible.

6.2.8 **Adequacy of Information.** Buyer acknowledges and agrees that:

6.2.8.1 it has been furnished with or given adequate access to the information about the Product and the Acquired Assets that it has requested;

6.2.8.2 it has carried out appropriate due diligence concerning the information given by Seller on the Products and the Acquired Assets and is taking full responsibility for making its own and independent evaluation of the Products and the Acquired Assets;

6.2.8.3 other than Seller's representations and warranties set forth in this Agreement and the Ancillary Agreements, it has not relied on any representation or warranty made to Buyer or any of its employees, agents, stockholders, Affiliates or representatives, express or implied, at Law or in equity, regarding the Products, the Acquired Assets or the subject matter of this Agreement and it will not assert any claim against Seller or any of its employees, agents, stockholders, Affiliates or any representatives or hold Seller or any such Persons liable for any inaccuracies, misstatements or omissions with respect to information furnished by Seller or any of its employees, agents, stockholders, Affiliates or any representatives, including any information in any "on-line" or physical data rooms or in any management presentations; and

6.2.8.4 Seller makes no warranty with respect to the accuracy and completeness of any estimates, projections, forecasts, plans, budgets, future financial condition or any financial statements made available by Seller to Buyer.

6.3 **No Other Warranties.** EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS ARTICLE 6 OR IN ANY ANCILLARY AGREEMENT, BOTH PARTIES DISCLAIM ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, WITH REGARD TO THE PRODUCTS, THE ACQUIRED ASSETS AND THIS AGREEMENT, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, VALIDITY AND NON-INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS.

#### ARTICLE 7. COVENANTS AND CONFIDENTIALITY

7.1 **Return of Assets; Transfer of Purchased Assets.**

7.1.1 If, for any reason after the Closing, any asset is ultimately determined to be an Excluded Asset or Buyer is found to be in possession of any Excluded Asset or subject to an Excluded Liability, (a) Buyer shall return or transfer and convey (without further consideration) to Seller, and Seller shall accept or assume, as applicable, such asset or Excluded Liability, (b) Seller shall assume (without further consideration) any Liabilities associated with such assets or Excluded Liabilities; and (c) Buyer and Seller shall execute such documents or instruments of conveyance or assumption and take such

further acts which are reasonably necessary or desirable to effect the transfer of such asset or Excluded Liability back to Seller.

7.1.2 In the event that any Acquired Asset or Assumed Liability is discovered by Seller or any of its Affiliates or identified to Seller in writing by Buyer at any time after the Closing Date, possession or ownership of which has not been transferred to, or assumed by (without further consideration), either Buyer or its Affiliates at such time, Seller shall promptly take such steps as may be required to transfer, or cause to be transferred, such Acquired Assets or Assumed Liabilities to Buyer, subject to Section 2.7 and otherwise in accordance with the terms of this Agreement, at no additional charge to Buyer or its Affiliates, and Buyer or its Affiliates shall accept such Acquired Assets or assume such Assumed Liabilities, as the case may be.

## 7.2 Confidentiality.

7.2.1 **Confidentiality Obligations.** For a period of [\*\*\*] years following the Closing, each Party shall, and shall cause its Affiliates, officers, directors, employees and agents to, keep confidential and not publish or otherwise disclose to a Third Party and not use, directly or indirectly, for any purpose, any Confidential Information furnished or otherwise made known to it, directly or indirectly, by or on behalf of the other Party, except to the extent such disclosure or use is expressly permitted by the terms of this Agreement or is reasonably necessary or useful for the performance of, or the exercise of such Party's rights under, this Agreement. "Confidential Information" means any technical, business, or other information provided by or on behalf of one Party to the other Party in connection with this Agreement, whether prior to, on, or after the Closing Date, including information relating to the terms of this Agreement, the Compounds or Products (including the Acquired Assets), any Exploitation of the Compounds or Products. Notwithstanding the foregoing, the confidentiality and non-use obligations under this Section 7.2 with respect to any Confidential Information shall not include any information of the disclosing Party that:

7.2.1.1 is or hereafter becomes part of the public domain by public use, publication (including by a Third Party), general knowledge or the like through no wrongful act, fault or negligence on the part of the receiving Party in breach of this Agreement;

7.2.1.2 can be demonstrated by documentation or other competent proof to have been in the receiving Party's possession prior to disclosure by the disclosing Party without any obligation of confidentiality with respect to such information;

7.2.1.3 is subsequently received by the receiving Party from a Third Party who is not bound by any obligation of confidentiality with respect to such information; or

7.2.1.4 can be demonstrated by documentation or other competent evidence to have been independently developed by or for the receiving Party without reference to the disclosing Party's Confidential Information.

Specific aspects or details of Confidential Information shall not be deemed to be within the public domain or in the possession of the receiving Party merely because the Confidential Information is embraced by more general information in the public domain or in the possession of the receiving Party. Further, any combination of Confidential Information shall not be considered in the public domain or in the possession of the receiving Party merely because individual elements of such Confidential Information are in the public domain or in the possession of the receiving Party unless the combination and its principles are in the public domain or in the possession of the receiving Party.

\*\*\*Certain Confidential Information Omitted

**7.2.2 Permitted Disclosures.** Notwithstanding anything to the contrary, Seller may disclose such Confidential Information that it deems necessary or desirable to comply with any disclosure or reporting obligations set forth in the [\*\*\*] Merger Agreement. In addition, each Party may disclose Confidential Information to the extent that such disclosure is:

7.2.2.1 made by or on behalf of the receiving Party to the Governmental Entities as required in connection with any filing, application or request for Marketing Authorization; *provided, however,* that reasonable measures shall be taken to assure confidential treatment of such information to the extent practicable and consistent with applicable Law;

7.2.2.2 made in response to a valid order of a court of competent jurisdiction or other supra-national, federal, national, regional, state, provincial and local governmental or regulatory body of competent jurisdiction or, if in the reasonable opinion of the receiving Party's outside legal counsel, such disclosure is otherwise required by applicable law (including, for clarity, any disclosure required by applicable law on clinicaltrials.gov or disclosure required by reason of filing with securities regulators, in which case, Section 7.2.4 shall also apply to such disclosure); *provided, however,* that to the extent practicable and not otherwise prohibited by applicable Law, the receiving Party shall first have given notice to the disclosing Party and given the disclosing Party (a) a reasonable opportunity to quash such order or to obtain a protective order or confidential treatment requiring that the Confidential Information and documents that are the subject of such order be held in confidence by such court or agency or, if disclosed, be used only for the purposes for which the order was issued and (b) a right to review and comment upon such disclosure, which comments shall be considered in good faith by the receiving Party; and *provided further* that the Confidential Information disclosed in response to such court or governmental order shall be limited to that information which is legally required to be disclosed in response to such court or governmental order;

7.2.2.3 made by or on behalf of the receiving Party to a patent authority as may be reasonably necessary or useful for purposes of obtaining or enforcing a Patent Right; *provided, however,* that reasonable measures shall be taken to assure confidential treatment of such information, to the extent such protection is available; or

7.2.2.4 made by the receiving Party to its or their attorneys, auditors, advisors, consultants, contractors, existing or prospective collaboration partners, licensees, or acquirers or other Third Parties, as may be necessary or useful in connection with the Exploitation of the Compounds, the Products, or otherwise in connection with the performance of its obligations or exercise of its rights as contemplated by this Agreement; *provided, however,* that such persons shall be subject to obligations of confidentiality and non-use with respect to such Confidential Information substantially similar to the obligations of confidentiality and non-use of the receiving Party pursuant to this Section 7.2.2 (with a duration of confidentiality and non-use obligations as appropriate that is no less than [\*\*\*] years from the date of disclosure).

**7.2.3 Use of Name.** Except as expressly provided in this Agreement, neither Party shall mention or otherwise use the name, logo, or trademark of the other Party or any of its Affiliates (or any abbreviation or adaptation thereof) in any publication, press release, marketing and promotional material, or other form of publicity without the prior written approval of such other Party in each instance. The restrictions imposed by this Section 7.2.3 shall not prohibit either Party from making any disclosure identifying the other Party that is required by applicable Law.

**7.2.4 Public Announcements.**

**\*\*\*Certain Confidential Information Omitted**

7.2.4.1 Promptly following the Closing Date, Buyer shall have the right to issue a press release announcing the transactions contemplated in this Agreement, which press release shall be in the form of Exhibit F attached hereto. Other than the press release described in the preceding sentence, neither Party shall issue any public announcement, press release, or other public disclosure regarding the terms of this Agreement or its subject matter without the other Party's prior written consent, except for any such disclosure that is, in the opinion of the disclosing Party's legal counsel, required by applicable Law or the rules of a stock exchange on which the securities of the disclosing Party or any of its Affiliates are listed (or to which an application for listing has been submitted).

7.2.4.2 In the event a Party or its Affiliates is, in the opinion of its legal counsel, required by applicable law or the rules of a stock exchange on which its or its Affiliate's securities are listed (or to which an application for listing has been submitted) to make such a public disclosure, such Party shall submit the proposed disclosure in writing to the other Party as far in advance as reasonably practicable (and in no event less than [\*\*\*] prior to the anticipated date of disclosure) so as to provide a reasonable opportunity to comment thereon; *provided, however*, if a Party or its Affiliates is required by applicable law or the rules of a stock exchange to disclose this Agreement in its entirety, such Party shall prepare a proposed redacted version of this Agreement, that it in good faith proposes to submit for confidential treatment, and the other Party may promptly (and in any event, no less than [\*\*\*] after receipt of such proposed redactions) provide its comments, which comments shall be considered in good faith by the Party required to make such disclosure, it being understood that the Party required to make such disclosure shall have the final say with respect to such redactions.

7.2.5 **Compliance.** Buyer will and it will ensure that its Affiliates, and it will use commercially reasonable efforts to ensure that its subcontractors and (sub)licensees will conduct all activities relating to any Compound and/or Products in compliance with applicable Law, including applicable Law concerning data privacy and security (e.g., relating to medical records and medical information privacy that regulate or limit the maintenance, use, disclosure or transmission of medical records, patient information or other personal information).

7.3 **Patent Covenant.**

7.3.1 [\*\*\*] Patent Family. [\*\*\*]

7.3.2 [\*\*\*] Patent Family. [\*\*\*]

7.4 **Payments under Transferred Agreement.** By no later than July 31, 2020, Seller shall pay in full the invoices set forth in Schedule 2.5.2 issued pursuant to the Transferred Agreement to [\*\*\*].

ARTICLE 8.  
**TERM**

8.1 **Term.** This Agreement shall commence on the Closing Date and shall continue in full force and effect until the expiration of all payment obligations under this Agreement with respect to the last Product in all countries in the Territory (the "**Term**").

**\*\*\*Certain Confidential Information Omitted**

ARTICLE 9.  
**SURVIVAL; INDEMNIFICATION; INSURANCE; LIMITATIONS**

**9.1 Survival of Representations, Warranties and Covenants.**

9.1.1 **Seller Representations.** The representations and warranties of Seller set forth in this Agreement shall survive the execution and delivery of this Agreement, any investigation by or on behalf of Buyer, and the Closing Date and shall terminate at 11:59 PM Pacific Standard Time on the date that is [\*\*\*] ([\*\*\*)] months after the Closing Date; *provided, that* Fundamental Representations shall survive until the expiration of the statute of limitations applicable to Claims for breaches of such Fundamental Representations. Notwithstanding the preceding sentence, any breach of a representation or warranty in respect of which indemnification may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the preceding sentence until the final resolution of such Claim (as defined below), if, prior to such time, both a Claim Certificate (as defined below) with respect to such breach shall have been timely delivered pursuant to Section 9.5 to the Party against whom such indemnification is sought and such Claim is pursued hereunder within a reasonable time period thereafter.

9.1.2 **Buyer Representations.** The representations and warranties of Buyer set forth in this Agreement shall survive the execution and delivery of this Agreement, any investigation by or on behalf of Seller, and the Closing Date and shall terminate at 11:59 PM Pacific Standard Time on the date that is [\*\*\*] ([\*\*\*)] months after the Closing Date; *provided, that* Fundamental Representations shall survive until the expiration of the statute of limitations applicable to Claims for breaches of such Fundamental Representations. Notwithstanding the preceding sentence, any breach of a representation or warranty in respect of which indemnification may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the preceding sentence until the final resolution of such Claim, if, prior to such time, both a Claim Certificate with respect to such breach shall have been timely delivered pursuant to Section 9.5 to the Party against whom such indemnification is sought and such Claim is pursued hereunder within a reasonable time period thereafter.

9.1.3 **Covenants.** The respective covenants, agreements and obligations of Seller and Buyer set forth in this Agreement shall survive the execution and delivery of this Agreement, any investigation by or on behalf of any party hereto, and the Closing. Notwithstanding the preceding sentence, any breach of covenants, agreements and obligations in respect of which indemnification may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the preceding sentence until the final resolution of such Claim, if, prior to such time, both a Claim Certificate with respect to such breach shall have been timely delivered pursuant to Section 9.5 to the Party against whom such indemnification is sought and such Claim is pursued hereunder within a reasonable time period thereafter.

9.2 **Indemnification by Buyer.** Buyer agrees to defend Seller, its Affiliates and its (and its Affiliates') directors, officers, employees and agents (the "**Seller Indemnified Parties**") at Buyer's cost and expense, and will indemnify and hold Seller and the other Seller Indemnified Parties harmless from and against any claims, losses, costs, damages, Taxes, fees or expenses (including reasonable and documented legal fees and expenses) (collectively, "**Losses**") resulting from any claims, actions or demands (collectively "**Claims**") arising out of or in connection with:

9.2.1 the breach by Buyer of this Agreement, including (a) any of the representations or warranties made hereunder by Buyer or (b) the covenants and obligations made hereunder by Buyer, including those related to the [\*\*\*] and, for the avoidance of doubt, any payment of [\*\*\*] (as defined in the [\*\*\*] Merger Agreement);

**\*\*\*Certain Confidential Information Omitted**

9.2.2 the Exploitation of any Compound or Product by or on behalf of Buyer or its Affiliates or (sub)licensees on or after the Closing Date;

9.2.3 any Assumed Liabilities; or

9.2.4 the Transferred Agreement after the Closing Date, as related to the Program, the Compounds or the Product, other than with respect to Losses to the extent resulting from conduct of Seller and its Affiliates.

9.3 **Indemnification By Seller.** Seller agrees to defend Buyer, its Affiliates and its (and its Affiliates') directors, officers, employees and agents (the "**Buyer Indemnified Parties**") at Seller's cost and expense, and will indemnify and hold Buyer and the other Buyer Indemnified Parties harmless from and against any Losses resulting from any Claims arising out of or in connection with:

9.3.1 the breach by Seller of this Agreement, including (a) any of the representations or warranties made hereunder by Seller or (b) the covenants and obligations made hereunder by Seller;

9.3.2 the breach by Seller of its obligations under Section [\*\*\*] of the [\*\*\*] Merger Agreement, but only to the extent such breach is not attributable to any failure, whether by act or omission, by Buyer or any of its Affiliates to comply with the covenants set forth in this Agreement related to the [\*\*\*];

9.3.3 the Exploitation of any Compound or Product by or on behalf of Seller or its Affiliates prior to the Closing Date; or

9.3.4 any Excluded Liabilities.

9.4 **Limitations.**

9.4.1 **Deductible Amount.** Subject to Section 9.4.4, no Claim may be made by any Indemnified Party for indemnification pursuant to Section 9.2.1 or Section 9.3.1, until the aggregate amount of Losses for which an Indemnified Party seeks to be indemnified pursuant to Section 9.2.1 or Section 9.3.1, as the case may be, exceeds \$[\*\*\*] (the "**Deductible**"), at which time the Indemnified Parties shall be entitled to indemnification for all such Losses in excess of the Deductible.

9.4.2 **Caps.** Subject to Section 9.4.4, each Party's indemnification obligations under Section 9.2 and Section 9.3 are subject to the following limitations:

9.4.2.1 (a) Subject to Section 9.4.2.2 and 9.4.2.3, the cumulative indemnification obligation of Buyer under Section 9.2.1(a), shall not exceed \$[\*\*\*] and (b) the cumulative indemnification obligation of Seller under Section 9.3.1(a) shall not exceed \$[\*\*\*];

9.4.2.2 (a) Buyer's cumulative indemnification obligation under Section 9.2.1(a) with respect to any Fundamental Representations, other than Section 6.1.5 (Title to Acquired Assets), shall not exceed [\*\*\*], and (b) Buyer's cumulative indemnification obligation under Section 9.2.1(a) with respect to the Fundamental Representations set forth exclusively under Section 6.1.5 (Title to Acquired Assets) shall not exceed \$[\*\*\*]; and

9.4.2.3 (a) Buyer's liability for any Losses indemnifiable under any other provision of Section 9.2 shall not exceed an amount equal to [\*\*\*], and (b) Seller's liability for any Losses indemnifiable under any other provision of Section 9.3 shall not exceed [\*\*\*].

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9.4.3 **Calculation.** Any Losses as to which indemnification provided for in Section 9.2 or Section 9.3 may apply shall be determined net of any cash recovery actually received by an Indemnified Party with respect to insurance or other Third-Party recovery proceeds specifically with respect to the specific matter for which indemnification is sought, less any current costs associated with obtaining such recovery. If an Indemnified Party receives an indemnification payment pursuant to this Agreement and later receives insurance proceeds or other Third-Party recovery proceeds in respect of the related Losses, then the Indemnified Party shall promptly remit to the Indemnifying Party, amounts equal to the lesser of (a) the amount of such insurance proceeds or other Third-Party recovery proceeds, if any, and (b) the amount of the indemnification payment previously paid by or on behalf of the Indemnifying Party with respect to such Losses; *provided, however*, that the Indemnified Party shall not be obligated to pay such insurance proceeds or other Third-Party recovery proceeds in the event that the Indemnified Party has additional Losses which would have been recovered had such amounts been available from the Indemnifying Party. This Section 9.4.3 shall not imply and shall not be construed to imply any obligation on the part of any Person to seek or pursue any such recovery and the failure to seek or pursue any such recovery shall not be defense to any indemnification obligation hereunder.

9.4.4 **Certain Exceptions to Limitations.** Notwithstanding anything to the contrary in this Agreement, the limitations and thresholds and other provisions set forth in this ARTICLE 9 shall not apply to Claims: (a) involving fraud, (b) involving or related to any Commercial Milestone Payments, Regulatory Milestone Payments, royalty payments or other payments payable by Buyer pursuant to this Agreement, (c) in the case of indemnification by Buyer, involving or related to (i) any of the [\*\*\*] not attributable to any failure, whether by act or omission, by Seller to comply with its obligations under the [\*\*\*] Merger Agreement or (ii) any Assumed Liabilities, or (d) in the case of indemnification by Seller, involving or related to (i) any of the rights and obligations under the [\*\*\*] Merger Agreement not attributable to any failure, whether by act or omission, by Buyer to comply with the [\*\*\*] or (ii) any Excluded Liabilities, and any Losses arising from or indemnification payments made on account of such Claims pursuant to this ARTICLE 9 shall not be taken into account in determining the applicability of such limitations and thresholds and other provisions to other Losses or Claims.

#### 9.5 Procedures.

9.5.1 **General.** Promptly after the discovery by any Indemnified Party of any Loss or Losses, Claim or breach, including any Claim by a Third-Party (a "**Third-Party Claim**"), that would reasonably be expected to give rise to a Claim for indemnification hereunder, the Indemnified Party shall deliver to Seller or Buyer, whichever is the appropriate indemnifying party hereunder (the "**Indemnifying Party**"), a certificate (a "**Claim Certificate**") that:

9.5.1.1 states that the Indemnified Party has paid or properly accrued Losses, or reasonably anticipates that it may or will incur liability for Losses, for which such Indemnified Party may be entitled to indemnification pursuant to this Agreement; and

9.5.1.2 specifies in reasonable detail, to the extent practicable and available, each individual item of Loss included in the amount so stated, the basis for any anticipated liability and the nature of the misrepresentation, default, breach of warranty or breach of covenant or Claim to which each such item is related and, to the extent computable, an estimation of the amount to which such Indemnified Party claims to be entitled hereunder;

*provided, that* no delay on the part of any Indemnified Party in notifying the Indemnifying Party, shall relieve the Indemnifying Party of any liability or obligations hereunder except to the extent that the Indemnifying Party has been actually prejudiced thereby, and then only to such extent.

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9.5.2 **Cure Period for Post-Closing Obligations.** With respect to any breach of any post-Closing covenants and obligations that are reasonably curable, the Indemnifying Party shall have a period of [\*\*\*] days following an Indemnified Party's delivery of a Claim Certificate to cure any such breach specified in such Claim Certificate. In the event the Indemnifying Party elects to cure (or attempt to cure) any claimed breach, the Indemnifying Party shall notify the Indemnified Party delivering the Claim Certificate within [\*\*\*] days of receiving the Claim Certificate of the Indemnifying Party's intent to cure; *provided, however*, that the Indemnifying Party's election to cure any breach shall not constitute an admission of any breach or agreement by the Indemnifying Party to indemnify such Indemnified Party with respect thereto and shall not be used against the Indemnifying Party in any subsequent indemnification Claim. In the event the Indemnifying Party fails to cure such alleged breach within such [\*\*\*] day period, the Indemnifying Party shall still be entitled to object to such Claim or Claims pursuant to Section 9.5.3 by delivering a notice of objection to the applicable Indemnified Party prior to the end of such period.

9.5.3 **Objection.** If the Indemnifying Party objects to the indemnification of an Indemnified Party in respect of any Claim or Claims specified in any Claim Certificate, the Indemnifying Party shall deliver a written notice to such effect to the Indemnified Party within [\*\*\*] days after the Indemnifying Party's receipt of such Claim Certificate; *provided, however*, that the Indemnifying Party shall be entitled to deliver such notice of objection prior to the end of the [\*\*\*] day cure period in accordance with Section 9.5.2. Thereafter, the Indemnifying Party and the Indemnified Party shall attempt in good faith to agree upon the rights of the respective parties for a period of not less than [\*\*\*] days after receipt by the Indemnified Party of such written objection with respect to each of such Claims to which the Indemnifying Party has objected. If the Indemnified Party and the Indemnifying Party agree with respect to any of such Claims, the Indemnified Party and the Indemnifying Party together shall promptly prepare and sign a memorandum setting forth such agreement. Should the Indemnified Party and the Indemnifying Party fail to agree as to any particular item or items or amount or amounts within such [\*\*\*] day period, then either party shall be entitled to pursue its available remedies for resolving its Claim for indemnification.

**Defense of Third-Party Claims.** The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of any Third-Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own legal counsel, and the Indemnified Party shall cooperate in good faith in such defense; *provided, however*, that such Indemnifying Party shall not have the right to defend or direct the defense of any such Third-Party Claim that (a) involves or relates to [\*\*\*] (b) seeks an injunction or other non-monetary equitable relief [\*\*\*] or (c) involves [\*\*\*]; *provided, further*, that if a Third-Party Claim involves or relates to a dispute over whether [\*\*\*]. If the Indemnifying Party assumes the defense of a Third-Party Claim in accordance with the preceding sentence, [\*\*\*]. In the event that the Indemnifying Party assumes the defense of any Third-Party Claim, subject to Section 9.5.5, it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third-Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right to participate in the defense of any Third-Party Claim with legal counsel selected by it subject to the Indemnifying Party's right to control the defense thereof. The fees and disbursements of such legal counsel shall be at the expense of [\*\*\*], *provided, that* if in the reasonable opinion of outside legal counsel to [\*\*\*], (A) [\*\*\*]; or (B) there exists [\*\*\*]. If the Indemnifying Party elects not to defend such Third-Party Claim, fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, or fails to diligently prosecute the defense of such Third-Party Claim, the Indemnified Party may, subject to Section 9.5.5 defend such Third-Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third-Party Claim (subject to the limitations set forth herein). Seller and Buyer shall

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cooperate with each other in all reasonable respects in connection with the defense of any Third-Party Claim, [\*\*\*].

9.5.4 **Settlement of Third-Party Claims.** Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third-Party Claim without the prior written consent of the Indemnified Party, except that the consent of the Indemnified Party shall not be required if all of the following conditions are met: (a) the terms of the judgment or proposed settlement [\*\*\*], (b) there is no finding or admission of [\*\*\*] and (c) the sole form of relief is monetary damages which are paid in full by [\*\*\*]. If the Indemnified Party has assumed the defense pursuant to Section 9.5.4, it shall not [\*\*\*]. Any settlement or compromise of a Third-Party Claim effected by the Indemnified Party without the consent of the Indemnifying Party shall not [\*\*\*].

9.5.5 **Agreed Claims.** Claims for Losses specified in any Claim Certificate to which the Indemnifying Party did not object in writing within [\*\*\*] days of receipt of such Claim Certificate, Claims covered by a memorandum of agreement of the nature described in Section 9.5.2 and claims for Losses the validity and amount of which have been the subject of resolution by arbitration or of a final non-appealable judicial determination are hereinafter referred to, collectively, as “**Agreed Claims**.” The Indemnified Party shall be entitled to payment for any Agreed Claim within [\*\*\*] Business Days of the determination of the amount of any such Agreed Claims.

9.6 **Sole Remedy.** Other than rights and remedies provided in Section 9.4.4 and Section 10.13, the sole and exclusive remedy for any breach or alleged breach of any representation, warranty or covenant of this Agreement shall be indemnification in accordance with this ARTICLE 9.

9.7 **Insurance.** Buyer will maintain, at its cost, reasonable and customary insurance against liability and other risks associated with its activities contemplated by this Agreement including, but not limited to: (i) clinical trial insurance policy providing coverage of at least \$[\*\*\*] per claim and \$[\*\*\*] annually in the aggregate before Buyer initiates any clinical trial and (ii) Product Liability insurance providing coverage of at least \$[\*\*\*] prior to the First Commercial Sale of such Product. Buyer shall provide [\*\*\*] days advance written notice to Seller of the termination, cancellation or material alteration of the terms or conditions of its insurance policies. If such policies are written on a claims made basis, they shall remain in effect for a minimum period of [\*\*\*] years after the termination or expiration of this Agreement and shall not be cancelled or subject to a material reduction of coverage without the prior written authorization of Seller. Upon Seller’s written request, Buyer shall provide Seller certified copies of Buyer’s insurance policies to evidence the purchase and/or maintenance of such policies. Maintenance of such insurance coverage shall not relieve Buyer of any responsibility under this Agreement for damages in excess of insurance limits or otherwise.

9.8 **LIMITATION OF DAMAGES.** IN NO EVENT SHALL EITHER PARTY BE LIABLE HEREUNDER TO THE OTHER PARTY FOR (A) ANY PUNITIVE OR EXEMPLARY DAMAGES OR (B) ANY RELIANCE, INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST REVENUE, LOST PROFITS, OR LOST SAVINGS) HOWEVER CAUSED AND UNDER ANY THEORY. THE LIMITATIONS SET FORTH IN THIS SECTION 9.8 SHALL NOT APPLY WITH RESPECT TO (I) ANY BREACH OF SECTION 7.2 OR (II) THE WILLFUL MISCONDUCT, INTENTIONAL MISREPRESENTATION OR FRAUD OF A PARTY. NOTHING IN THIS SECTION 9.8 IS INTENDED TO LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF A PARTY UNDER THIS ARTICLE 9 WITH RESPECT TO ANY DAMAGES PAID BY THE OTHER PARTY TO A THIRD PARTY IN CONNECTION WITH A THIRD-PARTY CLAIM.

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ARTICLE 10.  
MISCELLANEOUS

10.1 **Entire Agreement; Amendment.** This Agreement (including all Schedules and Exhibits attached to this Agreement) and the Ancillary Agreements constitute the entire agreement between the Parties as to the subject matter hereof. Except as set forth in this Section 10.1, (a) all prior and contemporaneous negotiations, representations, warranties, agreements, statements, promises and understandings with respect to the subject matter of this Agreement are hereby superseded and merged into, extinguished by and completely expressed by this Agreement and (b) neither Party shall be bound by or charged with any written or oral agreements, representations, warranties, statements, promises or understandings not specifically set forth in this Agreement. No amendment, supplement or other modification to any provision of this Agreement shall be binding unless in writing and signed by both Parties. Notwithstanding the foregoing, (i) all rights and obligations of the Parties that arose under the CDA during the period commencing on the CDA Effective Date and continuing through the Closing Date, including any dispute or alleged breach by a Party of any of the terms of the CDA during such period, shall be governed solely by the terms of the CDA, (ii) the terms and conditions of the CDA shall survive solely for the limited purposes set forth in subsection (i) above and (iii) the CDA shall otherwise terminate as of the Closing Date.

10.2 **Section 365(n) of the Bankruptcy Code.** All rights and licenses granted under or pursuant to any section of this Agreement are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code, licenses of rights to "intellectual property" as defined under Section 101(35A) of the U.S. Bankruptcy Code to the extent permitted thereunder. The Parties shall retain and may fully exercise all of their respective rights and elections under the U.S. Bankruptcy Code. Upon the bankruptcy of Seller, Buyer shall further be entitled to a complete duplicate of (or complete access to, as appropriate) any such intellectual property, and such, if not already in its possession, shall be promptly delivered to Buyer, unless Seller elects to continue, and continues, to perform all of its obligations under this Agreement.

10.3 **Governing Law; Jurisdiction.** This Agreement and its effect are subject to and shall be construed and enforced in accordance with the law of the State of New York, without regard to its conflicts of laws that would require the application of any other Law. Each of the Parties hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the federal courts located in the Eastern District of the State of New York for any matter arising out of or relating to this Agreement and the transactions contemplated hereby, and agrees not to commence any litigation relating thereto except in such courts. Each of the Parties hereby irrevocably and unconditionally waives any objection to the laying of venue of any matter arising out of this Agreement or the transactions contemplated hereby in the courts of the State of New York and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such matter brought in any such court has been brought in an inconvenient forum. The Parties agree that a final judgment in any such matter shall be conclusive and may be enforced in other jurisdictions by suits on the judgment or in any other manner provided by law. Any proceeding brought by either Party under this Agreement shall be exclusively conducted in the English language.

10.4 **Waiver of Jury Trial.** To the fullest extent permitted by Law, each of the Parties irrevocably waives all right to trial by jury in any Litigation arising out of or relating to this Agreement or any of the transactions contemplated by this Agreement.

10.5 **Notice.** All notices or communication required or permitted to be given by either Party hereunder shall be deemed sufficiently given (a) three (3) Business Days after being sent by

registered or certified mail, return receipt requested, postage prepaid, (b) one (1) Business Day after being sent for next Business Day delivery, fees prepaid, via a reputable nationwide overnight courier service or (c) on the date of confirmation of receipt (or, the first Business Day following such receipt if the date of such receipt is not a Business Day) of transmission by email, in each case to the intended recipient as set forth below:

If to Buyer: Kronos Bio, Inc.  
1300 E. El Camino Real  
San Mateo, CA 94402  
Attn: Chief Executive Office  
Email: [\*\*\*]

with copies (which shall not constitute notice) to:

Cooley LLP  
3175 Hanover Street  
Palo Alto, CA 94304  
Attention: Charles Bair  
Email: cbair@cooley.com

If to Seller: Gilead Sciences, Inc.  
333 Lakeside Drive  
Foster City, CA 94404  
Attn: General Counsel  
Facsimile No.: [\*\*\*]

with copies (which shall not constitute notice) to:

Morgan, Lewis & Bockius LLP  
1400 Page Mill Road  
Palo Alto, CA 94304  
Attention: Eric Y. Hwang  
Email: eric.hwang@morganlewis.com

Either Party may change the address to which notices and other communication hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

10.6 **Compliance with Law; Severability.** Nothing in this Agreement shall be construed to require the commission of any act contrary to Law. If any one or more provisions of this Agreement is held to be invalid, illegal or unenforceable, the affected provisions of this Agreement shall be curtailed and limited only to the extent necessary to bring it within the applicable legal requirements and the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

10.7 **Successors and Assigns.** This Agreement shall bind and inure to the benefit of the successors and permitted assigns of the Parties hereto. Neither this Agreement nor any right, interest or obligation of a Party hereunder may be assigned by either Party without the written consent of the other Party, except that each Party may assign this Agreement and the rights, obligations and interests of such Party under this Agreement (a) in whole or in part, to any of its Affiliates, or (b) in whole, but not in part, to any purchaser of all or substantially all of its assets or all or substantially all of its assets to which this Agreement relates or to the purchaser of shares representing a majority of its common stock voting rights or to the surviving corporation resulting from any merger, consolidation, share exchange or other similar transaction; *provided, that* (i) the assigning Party will provide the other Party with prompt written notice

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of assignment, (ii) the permitted assignee will assume all obligations of its assignor under this Agreement (or as related to the assigned part where a partial assignment to an Affiliate), (iii) unless expressly so agreed in writing by the Parties, no permitted assignment will relieve the assignor of liability under this Agreement, and (iv) any attempted assignment in contravention of this [Section 10.7](#) shall be void.

**10.8 Waivers.** A Party's consent to or waiver, express or implied, of any other Party's breach of its obligations hereunder shall not be deemed to be or construed as a consent to or waiver of any other breach of the same or any other obligations of such breaching Party. A Party's failure to complain of any act, or failure to act, by the other Party, to declare the other Party in default, to insist upon the strict performance of any obligation or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof, no matter how long such failure continues, shall not constitute a waiver by such Party of its rights hereunder, of any such breach, or of any other obligation or condition. A Party's consent in any one instance shall not limit or waive the necessity to obtain such Party's consent in any future instance and in any event no consent or waiver shall be effective for any purpose hereunder unless such consent or waiver is in writing and signed by the Party granting such consent or waiver.

**10.9 Force Majeure.** Except for the obligation to pay money when due, neither Party shall be liable to the other for failure or delay in the performance of any of its obligations under this Agreement for the time and to the extent such failure or delay is caused by a Force Majeure. The Party affected by the Force Majeure shall provide the other Party in writing with full particulars thereof as soon as it becomes aware of the same (including its best estimate of the likely extent and duration of the interference with its activities), and will use commercially reasonable efforts to overcome the difficulties created thereby and to resume performance of its obligations as soon as practicable. For the avoidance of doubt, under no circumstances shall the alleged or actual inability to pay money be considered an event of Force Majeure.

**10.10 No Third Party Beneficiaries.** Nothing in this Agreement shall be construed as giving any Person, other than the Parties hereto and their successors and permitted assigns, any right, remedy or claim under or in respect of this Agreement or any provision hereof, except for the provisions of [ARTICLE 9](#) (with respect to which the Persons to which [ARTICLE 9](#) applies shall be Third Party beneficiaries in accordance with [ARTICLE 9](#)).

**10.11 Headings; Schedules and Exhibits.** Article and Section headings used herein are for convenient reference only, and are not a part of this Agreement. All Schedules and Exhibits are incorporated herein by this reference.

**10.12 Counterparts.** This Agreement may be executed in counterparts by a single Party, each of which when taken together shall constitute one and the same agreement, and may be executed through the use of facsimiles or .pdf documents. 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, Uniform Electronic Transactions Act or other applicable law) 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.

**10.13 Specific Performance.** The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to specific performance of the terms hereof, without the necessity of posting a bond or other security or proving the inadequacy of damages as a remedy, in addition to any other remedy to which they are entitled at law or in equity.

**10.14 Further Assurances.** From time to time after the Closing Date, and for no further consideration (except as expressly set forth in [Section 5.2](#), [Section 5.3](#), [Section 5.4](#) and [Section 5.5](#)), each Party shall execute, acknowledge and deliver such assignments, transfers, consents,

assumptions and other documents and instruments and take such other actions as may be necessary or desirable to consummate and make effective the transactions contemplated by this Agreement.

*(Signature Pages Immediately to Follow)*

IN WITNESS WHEREOF, this Agreement has been executed by the Parties hereto all as of the date first above written.

**BUYER**

**KRONOS BIO, INC**

By: /s/ Norbert Bischofberger  
Name: Norbert Bischofberger, Ph.D  
Title: President and Chief Executive Officer

**SELLER:**

**GILEAD SCIENCES, INC.**

By: /s/ Devang Bhuvra  
Name: Devang Bhuvra  
Title: SVP of Corporate Development



# Delaware

The First State

Page 1

*I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "KRONOS BIO, INC.", FILED IN THIS OFFICE ON THE FIRST DAY OF JULY, A.D. 2019, AT 9:45 O'CLOCK A.M.*

*A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.*



\_\_\_\_\_  
/s/ Jeffery W. Bullock  
Jeffery W. Bullock, Secretary of State

6432407 8100  
SR# 20195747912  
You may verify this certificate online at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

Authentication: 203133836  
Date: 07-01-19

**THIRD AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION  
OF  
KRONOS BIO, INC.**

(Pursuant to Sections 242 and 245 of the  
General Corporation Law of the State of Delaware)

Kronos Bio, 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 Kronos Bio, Inc., and that this corporation was originally incorporated pursuant to the General Corporation Law on June 2, 2017 under the name Ponderosa Biosciences, Inc. The Certificate of Incorporation was amended and restated on May 22, 2018.

2. That the Board of Directors 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 Kronos Bio, Inc. (the "**Corporation**").

**SECOND:** The address of the registered office of the Corporation in the State of Delaware is 251 Little Falls Drive, Wilmington, New Castle County, Delaware 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) 40,000,000 shares of Common Stock, \$0.001 par value per share ("**Common Stock**") and (ii) 21,506,977 shares of Preferred Stock, \$0.001 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). 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 Third Amended and Restated Certificate of Incorporation (this "**Restated Certificate**")) 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

Of the authorized and unissued shares of Preferred Stock of the Corporation (i) 7,806,977 shares are hereby designated "**Series Seed Preferred Stock**" and (ii) 13,700,000 shares are hereby designated "**Series A 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. The Series Seed Preferred Stock and Series A Preferred Stock are collectively referred to herein from time to time as "**Preferred Stock**".

1. **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 (i) 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 (A) 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 (B) 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 (ii) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of such series of Preferred Stock determined by (A) 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 (B) multiplying such fraction by an amount equal to the Applicable Original Issue Price (as defined below) of such series of Preferred Stock; 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 each series 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 dividend on such series of Preferred Stock. The "**Series Seed Original Issue Price**" shall mean \$2.30769 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series Seed Preferred Stock. The "**Series A Original Issue Price**" shall mean \$7.6654 per share, 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. The "**Applicable Original Issue Price**" shall mean the Series Seed Original Issue Price and the Series A Original Issue Price, as applicable.

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, 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, an amount per share equal to the greater of (i) the Applicable Original Issue Price of such series of Preferred Stock, plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had all shares of such series of Preferred Stock been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution, winding up or Deemed Liquidation Event (the amount payable pursuant to this sentence is hereinafter referred to as the "**Applicable Liquidation Amount**"). 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 Payments to Holders of Common Stock. 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, the remaining assets of the Corporation available for distribution to its stockholders shall be distributed among the holders of shares of Common Stock, pro rata based on the number of shares held by each such holder.

2.3 Deemed Liquidation Events.

2.3.1 Definition. Each of the following events shall be considered a "**Deemed Liquidation Event**" unless the holders of (i) at least sixty percent (60%) of the outstanding shares of Series Seed Preferred Stock, voting together as a single class (the "**Series Seed Majority**"), and (ii) holders of at least sixty-seven percent (67%) of the outstanding

shares of Series A Preferred Stock (the "**Series A Majority**," and together with the Series Seed Majority, the "**Requisite 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 in such Deemed Liquidation Event 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 sixty (60) 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 sixtieth (60<sup>th</sup>) 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 (iii)

unless the Requisite Preferred Majority so request in a written instrument delivered to the Corporation not later than ninety (90) 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 of Directors of the Corporation), 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 twentieth (120<sup>th</sup>) 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. 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, and shall redeem the remaining shares as soon as it may lawfully do so under Delaware law governing distributions to stockholders and in a procedure determined by the Board of Directors. Prior to the distribution or redemption in full 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.

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 in connection with such Deemed Liquidation Event. The value of such property, rights or securities shall be determined in good faith by the Board of Directors of the Corporation (including at least a majority of the Preferred Directors then in office).

2.3.4 Allocation of Escrow and Contingent Consideration. In the event of a 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**"), the Merger Agreement shall provide that (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 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. 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 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 A Preferred Stock, exclusively and as a separate class, shall be entitled to elect two (2) directors of the Corporation (the "**Series A Directors**"). The holders of record of the shares of Series Seed Preferred Stock, exclusively and as a separate class, shall be entitled to elect two (2) directors of the Corporation (the "**Series Seed Directors**"). The Series A Directors and the Series Seed Directors are collectively referred to herein from time to time as the "**Preferred Directors**." The holders of record of the shares of Common Stock, exclusively and as a separate class, shall be entitled to elect two (2) directors of the Corporation (the "**Common Directors**"). Any director elected as provided in the preceding sentences 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 Seed 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 this Subsection 3.2, then any directorship not so filled shall remain vacant until such time as the holders of the Series Seed 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 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. The rights of the holders of the Series A Preferred Stock under the first sentence of this Subsection 3.2 shall terminate on the first date following the Series A Original Issue Date (as defined below) on which there are issued and outstanding less than 6,848,958 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). The rights of the holders of the Series Seed Preferred Stock under the second sentence of this Subsection 3.2 shall terminate on the first date following the Series A Original Issue Date on which there are issued and outstanding less than 3,903,488 shares of Series Seed 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 Seed Preferred Stock).

3.3 Series Seed Preferred Stock Protective Provisions. At any time when at least 3,903,488 shares of Series Seed 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 Seed 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 Series Seed 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, consolidation, reorganization, statutory plan of exchange, sale of all or substantially all of the assets or license substantially all of the key technology or intellectual property of the Corporation or any subsidiary, or any other Deemed Liquidation Event, or consent to any of the foregoing;

3.3.2 amend, alter or repeal any provision of this Restated Certificate or the Bylaws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Series Seed Preferred Stock, including any amendment to this Section 3.3;

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 unless the same ranks junior to or on parity with the Series Seed 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, or increase the authorized number of shares of Series Seed Preferred Stock or increase the authorized number of shares of any additional class or series of capital stock unless the same ranks junior to or on parity with the Series Seed 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 the Series Seed 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 the Series Seed 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 the Series Seed 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 the Series Seed 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 Series Seed Preferred Stock as expressly authorized herein, (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 (i) 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 \$500,000 or (ii) grant, or permit to be created, any lien or security interest;

3.3.7 create, or hold capital stock in, any subsidiary that is not wholly owned (either directly or through one or more other subsidiaries) by the Corporation, or permit any subsidiary to create, or authorize the creation of, or issue or obligate itself to issue, any shares of any class or series of capital stock, or sell, transfer or otherwise dispose of any capital stock of any direct or indirect subsidiary of the Corporation, or permit any direct or indirect subsidiary to sell, lease, transfer, exclusively license or otherwise dispose (in a single transaction or series of related transactions) of all or substantially all of the assets of such subsidiary;

3.3.8 enter into any transactions between the Corporation and any of its non-wholly-owned affiliates, except for transactions approved by a majority of the disinterested directors (including all Series Seed Directors then in office that are disinterested with respect to any such transaction) that are, upon fair and reasonable terms, no less favorable to the Corporation that would be obtained in an arm's-length transaction with an unrelated third party; or

3.3.9 increase or decrease the authorized number of directors constituting the Board.

3.4 Series A Preferred Stock Protective Provisions. At any time when at least 6,848,958 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 the Series A 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:

3.4.1 liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any merger, consolidation, reorganization, statutory plan of exchange, sale of all or substantially all of the assets or license substantially all of the key technology or intellectual property of the Corporation or any subsidiary, or any other Deemed Liquidation Event, or consent to any of the foregoing;

3.4.2 amend, alter or repeal any provision of this Restated Certificate or the Bylaws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Series A Preferred Stock, including any amendment to this [Section 3.4](#);

3.4.3 create, or authorize the creation of, or issue or obligate itself to issue shares of, any additional class or series of capital stock unless the same ranks junior to with the Series A 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, or increase the authorized number of shares of Series A 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 Series A 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;

3.4.4 (i) reclassify, alter or amend any existing security of the Corporation that is *pari passu* with the Series A 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 the Series A 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 the Series A 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 the Series A Preferred Stock in respect of any such right, preference or privilege;

3.4.5 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 Series A Preferred Stock as expressly authorized herein, (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;

3.4.6 (i) 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 or (ii) grant, or permit to be created, any lien or security interest;

3.4.7 create, or hold capital stock in, any subsidiary that is not wholly owned (either directly or through one or more other subsidiaries) by the Corporation, or permit any subsidiary to create, or authorize the creation of, or issue or obligate itself to issue, any shares of any class or series of capital stock, or sell, transfer or otherwise dispose of any capital stock of any direct or indirect subsidiary of the Corporation, or permit any direct or indirect subsidiary to sell, lease, transfer, exclusively license or otherwise dispose (in a single transaction or series of related transactions) of all or substantially all of the assets of such subsidiary;

3.4.8 enter into any transactions between the Corporation and any of its non-wholly-owned affiliates, except for transactions approved by a majority of the disinterested directors (including all Series A Directors then in office that are disinterested with respect to any such transaction) that are, upon fair and reasonable terms, no less favorable to the Corporation that would be obtained in an arm's-length transaction with an unrelated third party; or

3.4.9 increase or decrease the authorized number of directors constituting the Board.

#### 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 by dividing the Applicable Original Issue Price by the Applicable Conversion Price (as defined below) in effect at the time of conversion. The "**Series Seed Conversion Price**" shall initially be equal to the Series Seed Original Issue Price. The "**Series A Conversion Price**" shall initially be equal to the Series A Original Issue Price. Each of the Series Seed Conversion Price and the Series A Conversion Price, as applicable, is sometimes referred to herein as an "**Applicable Conversion Price.**" Each Applicable Conversion Price, and the rate at which shares of each series 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 of Directors of the Corporation. 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 the adjusted Applicable Conversion Price of such series of Preferred Stock.

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:

- (a) **"Option"** shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.
- (b) **"Series A Original Issue Date"** shall mean the date on which the first share of Series A 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 A 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 of 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;

- (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 of Directors of the Corporation, including the written consent or affirmation of at least a majority of the Preferred Directors then in office;
- (vi) shares of Common Stock, Options or Convertible Securities issued to suppliers or third party service providers in connection with the provision of goods or services pursuant to transactions approved by the Board of Directors of the Corporation, including the written consent or affirmation of at least a majority of the Preferred Directors then in office;
- (vii) shares of Common Stock, Options or Convertible Securities issued pursuant to the acquisition of another corporation by the Corporation by merger, purchase of substantially all of the assets or other reorganization or to a joint venture agreement, provided that such issuances are approved by the Board of Directors of the Corporation, including the written consent or affirmation of at least a majority of the Preferred Directors then in office; or
- (viii) 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 of Directors of the Corporation, including the written consent or affirmation of at least a majority of the Preferred Directors then in office.

4.4.2 No Adjustment of Applicable Conversion Price.

(a) No adjustment in the Series Seed 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 Series Seed Majority agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

(b) 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 Series A Majority 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 A 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, the Applicable 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 Applicable 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) such 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) such



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 such Applicable Conversion Price then in effect, or because such Option or Convertible Security was issued before the Series A Original Issue Date), are revised after the Series A 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, such 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 such Applicable Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 Adjustment of Applicable Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall at any time after the Series A 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 in effect immediately prior to such issuance or deemed issuance, then such Applicable 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 such Applicable Conversion Price in effect immediately after such issuance or deemed issuance of Additional Shares of Common Stock;
- (b) "CP<sub>1</sub>" shall mean such Applicable Conversion Price in effect immediately prior to such issuance or deemed issuance of Additional Shares of Common Stock;
- (c) "A" shall mean the number of shares of Common Stock outstanding immediately prior to such issuance or deemed issuance 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 issuance or deemed issuance 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 or deemed 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 issuance or deemed issuance 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 of Directors of the Corporation; 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 of Directors of the Corporation.

(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 such Applicable Conversion Price pursuant to the terms of Subsection 4.4.4 then, upon the final such issuance, such Applicable Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any 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 A 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 A Original Issue Date combine the outstanding shares of Common Stock, the Applicable Conversion Price 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 A 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 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 such 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, such Applicable Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter such 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 to the Applicable Conversion Price of a series of Preferred Stock 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 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 A 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 each series 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 such series 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 such 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 of Directors of the Corporation) 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 the 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 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 Preferred Stock.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Applicable Conversion Price of a series of Preferred Stock 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 Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the 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, 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 each 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 per share of at least 250% of the Series A Original Issue Price, 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 \$25,000,000 of gross proceeds to the Corporation, or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the Requisite Preferred Majority (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**"); provided, however, in the case of (b), the outstanding shares of Series Seed Preferred Stock shall not be so converted without the written consent of the Series Seed Majority and the outstanding shares of Series A Preferred Stock shall not be so converted without the written consent of the Series A Majority, 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 such 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. 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.

7. **Waiver.** Except as otherwise explicitly set forth herein, any of the rights, powers, preferences and other terms of any series of Preferred Stock set forth herein may be waived on behalf of all holders of such series of Preferred Stock by the affirmative written consent or vote of the holders of Series Seed Majority or the Series A Majority, as applicable.

8. **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 this Restated Certificate or the Bylaws of the Corporation, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors 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 this Restated Certificate or the Bylaws of the Corporation, 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 of Directors or in the Bylaws of the Corporation.

**NINTH:** To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article Ninth to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

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:** The following indemnification provisions shall apply to the persons enumerated below.

1. Right to Indemnification of Directors and Officers. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "**Indemnified Person**") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**"), by reason of the fact that such person, or a person for whom such person is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnified Person in such Proceeding. Notwithstanding the preceding sentence, except as otherwise provided in Section 3 of this Article Tenth the Corporation shall be required to indemnify an Indemnified Person in connection with a Proceeding (or part thereof) commenced by such Indemnified Person only if the commencement of such Proceeding (or part thereof) by the Indemnified Person was authorized in advance by the Board of Directors.

2. Prepayment of Expenses of Directors and Officers. The Corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnified Person in defending any Proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the Indemnified Person to repay all amounts advanced if it should be ultimately determined that the Indemnified Person is not entitled to be indemnified under this Article Tenth or otherwise.

3. Claims by Directors and Officers. If a claim for indemnification or advancement of expenses under this Article Tenth is not paid in full within thirty (30) days after a written claim therefor by the Indemnified Person has been received by the Corporation, the Indemnified Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Indemnified Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

4. Indemnification of Employees and Agents. The Corporation may indemnify and advance expenses to any person who was or is made or is threatened to be made or is otherwise involved in any Proceeding by reason of the fact that such person, or a person for whom such person is the legal representative, is or was an employee or agent of the Corporation or, while an employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such person in connection with such Proceeding. The ultimate determination of entitlement to indemnification of persons who are

non-director or officer employees or agents shall be made in such manner as is determined by the Board of Directors in its sole discretion. Notwithstanding the foregoing sentence, the Corporation shall not be required to indemnify a person in connection with a Proceeding initiated by such person if the Proceeding was not authorized in advance by the Board of Directors.

5. Advancement of Expenses of Employees and Agents. The Corporation may pay the expenses (including attorneys' fees) incurred by an employee or agent in defending any Proceeding in advance of its final disposition on such terms and conditions as may be determined by the Board of Directors.

6. Non-Exclusivity of Rights. The rights conferred on any person by this Article Tenth shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of this Amended and Restated Certificate of Incorporation, the Bylaws of the Corporation, or any agreement, or pursuant to any vote of stockholders or disinterested directors or otherwise.

7. Other Indemnification. The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer or employee of another Corporation, partnership, limited liability company, joint venture, trust, organization or other enterprise shall be reduced by any amount such person may collect as indemnification from such other Corporation, partnership, limited liability company, joint venture, trust, organization or other enterprise.

8. Insurance. The Board of Directors may, to the full extent permitted by applicable law as it presently exists, or may hereafter be amended from time to time, authorize an appropriate officer or officers to purchase and maintain at the Corporation's expense insurance: (a) to indemnify the Corporation for any obligation which it incurs as a result of the indemnification of directors, officers and employees under the provisions of this Article Tenth; and (b) to indemnify or insure directors, officers and employees against liability in instances in which they may not otherwise be indemnified by the Corporation under the provisions of this Article Tenth.

9. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article Tenth shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification. The rights provided hereunder shall inure to the benefit of any Indemnified Person and such person's heirs, executors and administrators.

**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 Series A Preferred Stock or any partner, member, director, stockholder, employee, affiliate or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, the persons referred to in

clauses (i) and (ii) are "**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 while such Covered Person is performing services in such capacity. Any repeal or modification of this Article Eleventh will only be prospective and will not affect the rights under this Article Eleventh in effect at the time of the occurrence of any actions or omissions to act giving rise to liability. Notwithstanding anything to the contrary contained elsewhere in this Restated Certificate, the affirmative vote of the Requisite Preferred Majority will be required to amend or repeal, or to adopt any provisions inconsistent with this Article Eleventh.

**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.

\* \* \*

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 Restated Certificate, 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.

**[Signature Page Follows]**

IN WITNESS WHEREOF, this Third Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this 1st day of July, 2019.

By: /s/ Norbert W. Bischofberger  
Name: Norbert W. Bischofberger  
Title: President and Chief Executive Officer

SIGNATURE PAGE TO  
THIRD AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

**AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION OF  
KRONOS BIO, INC.**

Norbert Bischofberger, Ph.D., hereby certifies that:

**ONE:** He is the duly elected President and Chief Executive Officer of Kronos Bio, Inc., a Delaware corporation.

**TWO:** The original name of the corporation is Ponderosa Biosciences, Inc. and the original date of filing of said corporation's original certificate of incorporation with the Delaware Secretary of State was June 2, 2017.

**THREE:** The Amended and Restated Certificate of Incorporation of the corporation is hereby amended and restated to read in its entirety as follows:

**I.**

The name of this corporation is Kronos Bio, Inc. (the "**Company**").

**II.**

The address of the registered office of the Company in the State of Delaware is 251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808 and the name of its registered agent at such address is Corporation Service Company.

**III.**

The purpose of the Company is to engage in any lawful act or activity for which a corporation may be organized under the Delaware General Corporation Law ("**DGCL**").

**IV.**

**A.** The Company is authorized to issue two classes of stock to be designated, respectively, "**Common Stock**" and "**Preferred Stock**." The total number of shares which the Company is authorized to issue is 210,000,000 shares. 200,000,000 shares shall be Common Stock, each having a par value of \$0.001. 10,000,000 shares shall be Preferred Stock, each having a par value of \$0.001.

**B.** The Preferred Stock may be issued from time to time in one or more series. The Board of Directors of the Company (the "**Board of Directors**") is hereby expressly authorized to provide for the issue of any or all of the unissued and undesignated shares of the Preferred Stock in one or more series, and to fix the number of shares and to determine or alter for each such series, such voting powers, full or limited, or no voting powers, and such designation, preferences, and relative, participating, optional, or other rights and such qualifications,

limitations, or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such shares and as may be permitted by the DGCL. The Board of Directors is also expressly authorized to increase or decrease the number of shares of any series subsequent to the issuance of shares of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be decreased in accordance with the foregoing sentence, the shares constituting such decrease shall resume the status that they had prior to the adoption of the resolution originally fixing the number of shares of such series. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of the stock of the Company entitled to vote thereon, without a separate vote of the holders of the Preferred Stock, or of any series thereof, unless a vote of any such holders is required pursuant to the terms of any certificate of designation filed with respect to any series of Preferred Stock.

C. Each outstanding share of Common Stock shall entitle the holder thereof to one vote on each matter properly submitted to the stockholders of the Company for their vote; *provided, however*, that, except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (this "**Certificate of Incorporation**") (including any certificate of designation filed with respect to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series of Preferred Stock are entitled, either separately or together as a class with the holders of one or more other such series of Preferred Stock, to vote thereon by law or pursuant to this Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock).

## V.

For the management of the business and for the conduct of the affairs of the Company, and in further definition, limitation and regulation of the powers of the Company, of its directors and of its stockholders or any class thereof, as the case may be, it is further provided that:

A. The management of the business and the conduct of the affairs of the Company shall be vested in its Board of Directors. The number of directors that shall constitute the Board of Directors shall be fixed exclusively by resolutions adopted by a majority of the authorized number of directors constituting the Board of Directors.

B. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the directors shall be divided into three classes designated as Class I, Class II and Class III, respectively. The Board of Directors is authorized to assign members of the Board of Directors already in office to such classes at the time the classification becomes effective. At the first annual meeting of stockholders following the initial classification of the Board of Directors, the term of office of the Class I directors shall expire and Class I directors shall be elected for a full term of three years. At the second annual meeting of stockholders following such initial classification, the term of office of the Class II directors shall expire and Class II directors shall be elected for a full term of three years. At the third annual meeting of stockholders following such initial classification, the term of office of the

Class III directors shall expire and Class III directors shall be elected for a full term of three years. At each succeeding annual meeting of stockholders, directors shall be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual meeting.

Notwithstanding the foregoing provisions of this section, each director shall serve until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

C. Subject to the rights of any series of Preferred Stock that may be designated from time to time to elect additional directors under specified circumstances, neither the Board of Directors nor any individual director may be removed without cause. Subject to any limitations imposed by applicable law, any individual director or directors may be removed with cause by the affirmative vote of the holders of at least 66 2/3% of the voting power of all then-outstanding shares of capital stock of the Company entitled to vote generally at an election of directors, voting together as a single class.

D. Subject to any limitations imposed by applicable law and subject to the rights of the holders of any series of Preferred Stock that may be designated from time to time, 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 the stockholders and except as otherwise provided by applicable law, 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, and not by the stockholders. 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.

E. The Board of Directors is expressly empowered to adopt, amend or repeal the Amended and Restated Bylaws of the Company (the "**Bylaws**"). Any adoption, amendment or repeal of the Bylaws by the Board of Directors shall require the approval of a majority of the authorized number of directors. The stockholders shall also have power to adopt, amend or repeal the Bylaws; *provided, however*, that, in addition to any vote of the holders of any class or series of stock of the Company required by law or by this Certificate of Incorporation, such action by stockholders shall require the affirmative vote of the holders of at least 66 2/3% of the voting power of all of the then-outstanding shares of the capital stock of the Company entitled to vote generally in the election of directors, voting together as a single class.

F. The directors of the Company need not be elected by written ballot unless the Bylaws so provide.

G. No action shall be taken by the stockholders of the Company except at an annual or special meeting of stockholders called in accordance with the Bylaws. No action shall be taken by the stockholders of the Company by written consent or electronic transmission.

**H.** Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Company shall be given in the manner provided in the Bylaws.

**VI.**

**A.** The liability of a director of the Company for monetary damages shall be eliminated to the fullest extent under applicable law.

**B.** To the fullest extent permitted by applicable law, the Company is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Company (and any other persons to which applicable law permits the Company 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 such applicable law. If applicable law is amended after approval by the stockholders of this Article VI to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director to the Company shall be eliminated or limited to the fullest extent permitted by applicable law as so amended.

**C.** Any repeal or modification of this Article VI shall only be prospective and shall not affect the rights or protections or increase the liability of any director under this Article VI in effect at the time of the alleged occurrence of any act or omission to act giving rise to liability or indemnification.

**VII.**

**A.** Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) and any appellate court therefrom shall be the sole and exclusive forum for the following claims or causes of action under the Delaware statutory or common law: (A) any derivative claim or cause of action brought on behalf of the Corporation; (B) any claim or cause of action for breach of a fiduciary duty owed by any current or former director, officer or other employee of the Corporation, to the Corporation or the Corporation's stockholders; (C) any claim or cause of action against the Corporation or any current or former director, officer or other employee of the Corporation, arising out of or pursuant to any provision of the DGCL, this Certificate of Incorporation or the Bylaws of the Corporation (as each may be amended from time to time); (D) any claim or cause of action seeking to interpret, apply, enforce or determine the validity of this Certificate of Incorporation or the Bylaws of the Corporation (as each may be amended from time to time, including any right, obligation, or remedy thereunder); (E) any claim or cause of action as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; and (F) any claim or cause of action against the Corporation or any current or former director, officer or other employee of the Corporation, governed by the internal-affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court having personal jurisdiction over the indispensable parties named as defendants. This Section A



of Article VII shall not apply to claims or causes of action brought to enforce a duty or liability created by the Securities Act of 1933, as amended (the "1933 Act"), or the Securities Exchange Act of 1934, as amended, or any other claim for which the federal courts have exclusive jurisdiction.

**B.** Unless the Corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the 1933 Act.

**C.** Any person or entity holding, owning or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and consented to the provisions of this Certificate of Incorporation.

#### **VIII.**

**A.** The Company reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, except as provided in Section B of this Article VIII, and all rights conferred upon the stockholders herein are granted subject to this reservation.

**B.** Notwithstanding any other provisions of this Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the Company required by law or by this Certificate of Incorporation or any certificate of designation filed with respect to a series of Preferred Stock that may be designated from time to time, subject to the rights of the holders of any series of Preferred Stock, the affirmative vote of the holders of at least 66 2/3% of the voting power of all of the then-outstanding shares of capital stock of the Company entitled to vote generally in the election of directors, voting together as a single class, shall be required to alter, amend or repeal Articles V, VI, VII or VIII of this Certificate of Incorporation.

\* \* \* \*

**FOUR:** This Certificate of Incorporation has been duly adopted and approved by the Board of Directors and by written consent of the stockholders in accordance with Sections 228, 242 and 245 of the DGCL and written notice of such action has been given as provided in section 228 of the DGCL.

[Signature page follows]

IN WITNESS WHEREOF, Kronos Bio, Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by its President and Chief Executive Officer this [·]<sup>th</sup> day of [·], 2020.

**KRONOS BIO, INC.**

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**NORBERT BISCHOFBERGER, PH.D.**  
*President and Chief Executive Officer*

AMENDED AND RESTATED  
BYLAWS  
OF  
PONDEROSA BIOSCIENCES, INC.  
  
(A DELAWARE CORPORATION)

## ARTICLE I

### OFFICES

**Section 1. Registered Office.** The registered office of the corporation in the State of Delaware shall be 251 Little Falls Drive, City of Wilmington, County of New Castle, 19808 or in such other location as the Board of Directors may from time to time determine or the business of the corporation may require.

**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. 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 this Section.

(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 paragraph (a) of this Section, (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 and applicable law, (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 paragraph), 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. 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 90<sup>th</sup> day nor earlier than the close of business on the 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 30 days prior to or delayed by more than 30 days after the anniversary of the preceding year's annual meeting, or if no annual meeting was held in the preceding year, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120<sup>th</sup> day prior to such annual meeting and not later than the close of business on the later of the 90<sup>th</sup> day prior to such annual meeting or the 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 that 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 paragraph (b) of this Section 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 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 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 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 (or elected or appointed pursuant to Article IV of these Amended and Restated Bylaws ("**Bylaws**")) 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. 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) For purposes of this Section, "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 (the "*SEC*") 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, (iii) the Board of Directors pursuant to a resolution adopted by directors representing a quorum of the Board of Directors or (iv) by the holders of shares entitled to cast not less than 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 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) of these Bylaws.

(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 35 nor more than 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 10 nor more than 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 or her 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 as otherwise provided by statute, the Certificate of Incorporation or 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, 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 statute, 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 as otherwise provided by statute, 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 that might have been transacted at the original meeting pursuant to the Certificate of Incorporation, these Bylaws or applicable law. If the adjournment is for more than 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 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 or more persons, whether fiduciaries, members of a partnership, joint

tenants, tenants in common, tenants by the entirety, or otherwise, or if two 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 (including giving consent pursuant to Section 13) shall have the following effect: (a) if only one votes, his or her act binds all; (b) if more than one votes, the act of the majority so voting binds all; (c) if more than one 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 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 that 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 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 to which the stockholders consent 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) An electronic mail, facsimile 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 electronic mail, facsimile or other electronic transmission sets forth or is delivered with information from which the corporation can determine (i) that the electronic mail, facsimile 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 electronic mail, facsimile or electronic transmission. The date on which such electronic mail, facsimile or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by electronic mail, facsimile 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 electronic mail, facsimile 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 Chief Executive Officer, or, if the Chief Executive Officer 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 or her absence, an Assistant Secretary directed to do so by the Chief Executive Officer, shall act as secretary of the meeting.

(b) The Board of Directors 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 that 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 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 his or her successor is duly elected and qualified or until his or her 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 Section 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 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. Unless otherwise provided in the Certificate of Incorporation, 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 or her successor shall have been duly elected and qualified.

**Section 20. Removal.**

(a) Subject to any limitations imposed by applicable law, 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 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 at 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 that 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, 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 Chief Executive Officer (if a director), the President (if a director) or any two of the directors.

(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 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 five 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 total number of directors then serving; *provided, however*, that such number shall never be less than 1/3 of the total number of directors except that when one director is authorized, then one director shall constitute a quorum. 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. If the Certificate of Incorporation provides that one or more directors shall have more or less than one vote per director on any matter, every reference in this Section to a majority or other proportion of the directors shall refer to a majority or other proportion of the votes of the directors.

(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 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 that 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 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 paragraphs (a) or (b) of this Section 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 or her 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 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 that 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 Chief Executive Officer (if a director), or if the Chief Executive Officer is not a director or is absent, the President (if a director), or if the President is not a director or 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 or her absence, any Assistant Secretary directed to do so by the Chief Executive Officer or 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, the Treasurer and the Controller, all of whom shall be elected at the annual organizational meeting of the Board of Directors. The Board of Directors may also appoint one or more 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, or by the Chief Executive Officer or other officer if so authorized 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 Chief Executive Officer and 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.

**(c) Duties of Chief Executive Officer.** The Chief Executive Officer shall preside at all meetings of the stockholders and (if a director) at all meetings of the Board of Directors, unless the Chairman of the Board of Directors has been appointed and is present. The Chief Executive Officer 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 Chief Executive Officer 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 President.** In the absence or disability of the Chief Executive Officer or if the office of Chief Executive Officer is vacant, the President shall preside at all meetings of the stockholders and (if a director) at all meetings of the Board of Directors, unless the Chairman of the Board of Directors has been appointed and is present. If the office of Chief Executive Officer is vacant, 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.

**(e) 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.

**(f) 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 Chief Executive Officer 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 Chief Executive Officer shall designate from time to time.

**(g) 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 Chief Executive Officer. 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 or her office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time. The Chief Executive Officer 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 Chief Executive Officer 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 Chief Executive Officer 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 upon whom such power of removal may have been conferred by the Board of Directors.

#### 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, or to enter into contracts on behalf of the corporation, except as 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 of funds to the credit of the corporation or on 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, of the corporation shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of shares 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 any two authorized officers, including but not limited to the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by him or her 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 or she 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) The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the sale, transfer, assignment, pledge, or other disposal of or encumbering of any of the shares of stock of the corporation or any right or interest therein, whether voluntarily or by operation of law, or by gift or otherwise (each, a "**Transfer**") of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

(b) Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and, in the case of stock represented by certificate, upon the surrender of a properly endorsed certificate or certificates for a like number of shares.

(c) At the option of the corporation, the stockholder shall be obligated to pay to the corporation a reasonable transfer fee related to the costs and time of the corporation and its legal and other advisors related to any proposed Transfer.

(d) If the stockholder desires to sell or otherwise Transfer any of his or her shares of stock, 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.

**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 60 nor less than 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 immediately preceding the day on which notice is given, or if notice is waived, at the close of business on the day immediately 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 10 days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, 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 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 of these Bylaws), may be signed by the Chairman of the Board of Directors, the Chief Executive Officer, 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. 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 (for the purposes of this Article, "executive officers" shall have the meaning defined in Rule 3b-7 promulgated under the 1934 Act) 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 DGCL or any other applicable law or (iv) such indemnification is required to be made under paragraph (d) of this Section.

(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 such person 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 or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to paragraph (e) of this Section, 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 Section 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 Section 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 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 or her 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.

(e) **Non-Exclusivity of Rights.** The rights conferred on any person by this Section shall not be exclusive of any other right that 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 or her 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 Section shall continue as to a person who has ceased to be a director or executive officer 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 Section.

(h) **Amendments.** Any repeal or modification of this Section 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 Section 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 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 Section, 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 that, 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 Section 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 that 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 Section.

## 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 of these Bylaws. 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 paragraph (a) of this Section, 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 that 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 a majority of the voting power of all of the then-outstanding shares of the capital stock of the corporation, voting together as a single class.

### ARTICLE XIV

#### LOANS TO OFFICERS

**Section 46. 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 XV

#### MISCELLANEOUS

**Section 47. Annual Report.**

**(a)** Subject to the provisions of paragraph (b) of this Section, the Board of Directors shall cause an annual report to be sent to each stockholder of the corporation not later than 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 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 record of the corporation's shares, the requirement of sending of an annual report to the stockholders of the corporation is hereby expressly waived.

**Section 48. Forum.** Unless the corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the corporation; (ii) any action asserting a claim of breach of a 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 DGCL or the corporation's certificate of incorporation or the Bylaws of the corporation; 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 Section 48 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 Section 48 (including, without limitation, each portion of any sentence of this Section 48 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.



**PONDEROSA BIOSCIENCES, INC.  
CERTIFICATE OF SECRETARY**

**I HEREBY CERTIFY THAT:**

I am the duly elected and acting Secretary of **PONDEROSA BIOSCIENCES, INC.**, a Delaware corporation (the "**Company**"); and

Attached hereto is a complete and accurate copy of the Amended and Restated Bylaws of the Company as duly adopted by the Board of Directors by Unanimous Written Consent dated June 6, 2017 and said Amended and Restated Bylaws are presently in effect.

Signed on June 6, 2017.

/s/ DAVID TANEN

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**DAVID TANEN**

Secretary

**AMENDED AND RESTATED  
BYLAWS  
OF  
KRONOS BIO, INC.**

**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 corporation's Board of Directors (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 (the "**DGCL**").

**Section 5. Annual Meetings.**

(a) The annual meeting of the stockholders of the corporation, for the purpose of election of directors and for such other business as may properly 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 (with respect to business other than nominations); (ii) brought specifically 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 the stockholder's notice provided for in Section 5(b) of these Amended and Restated Bylaws (the "**Bylaws**"), who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 5. For the avoidance of doubt, clause (iii) above shall be the exclusive means for a stockholder to make nominations and submit other business (other than matters properly included in the corporation's notice of meeting of stockholders and proxy statement under Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (the "**1934 Act**")) before an annual meeting of stockholders.

(b) At an annual meeting of the stockholders, only such business shall be conducted as is a proper matter for stockholder action under Delaware law and as shall have been properly brought before the meeting.

(i) For nominations for the election to the Board of Directors to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 5(a) of these Bylaws, the stockholder must deliver written notice to the Secretary at the principal executive offices of the corporation on a timely basis as set forth in Section 5(b)(iii) of these Bylaws and must update and supplement such written notice on a timely basis as set forth in Section 5(c) of these Bylaws. Such stockholder's notice shall set forth: (A) as to each nominee such stockholder proposes to nominate at the meeting: (1) the name, age, business address and residence address of such nominee; (2) the principal occupation or employment of such nominee; (3) the class and number of shares of each class of capital stock of the corporation which are owned of record and beneficially by such nominee; (4) the date or dates on which such shares were acquired and the investment intent of such acquisition; (5) with respect to each nominee for election or re-election to the Board of Directors, include a completed and signed questionnaire, representation and agreement required by Section 5(e) of these Bylaws; and (6) such other information concerning such nominee as would be required to be disclosed in a proxy statement soliciting proxies for the election of such nominee as a director in an election contest (even if an election contest is not involved), or that is otherwise required to be disclosed pursuant to Section 14 of the 1934 Act and the rules and regulations promulgated thereunder (including such person's written consent to being named as a nominee and to serving as a director if elected); and (B) the information required by Section 5(b)(iv) of these Bylaws. The corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as an independent director of the corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such proposed nominee.

(ii) Other than proposals sought to be included in the corporation's proxy materials pursuant to Rule 14(a)-8 under the 1934 Act, for business other than nominations for the election to the Board of Directors to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 5(a) of these Bylaws, the stockholder must deliver written notice to the Secretary at the principal executive offices of the corporation on a timely basis as set forth in Section 5(b)(iii) of these Bylaws, and must update and supplement such written notice on a timely basis as set forth in Section 5(c) of these Bylaws. Such stockholder's notice shall set forth: (A) as to each matter such 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 (including any anticipated benefit of such business to any Proponent (as defined below) other than solely as a result of its ownership of the corporation's capital stock, that is material to any Proponent individually, or to the Proponents in the aggregate) in such business of any Proponent; and (B) the information required by Section 5(b)(iv) of these Bylaws.

(iii) To be timely, the written notice required by Section 5(b)(i) or 5(b)(ii) of these Bylaws must be received by the Secretary at the principal executive offices of the corporation not later than the close of business on the 90<sup>th</sup> day nor earlier than the close of business on the 120<sup>th</sup> day prior to the first anniversary of the preceding year's annual meeting; *provided, however*, that, subject to the last sentence of this Section 5(b)(iii), in the event that the date of the annual meeting is advanced more than 30 days prior to or delayed by more than 30 days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so received not earlier than the close of business on the 120<sup>th</sup> day prior to such annual meeting and not later than the close of business on the later of the 90<sup>th</sup> day prior to such annual meeting or the 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 an adjournment or a postponement of an annual meeting for which notice has been given, or the public announcement thereof has been made, commence a new time period for the giving of a stockholder's notice as described above.

(iv) The written notice required by Section 5(b)(i) or 5(b)(ii) of these Bylaws shall also set forth, as of the date of the notice and as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (each, a "**Proponent**" and collectively, the "**Proponents**"): (A) the name and address of each Proponent, as they appear on the corporation's books; (B) the class, series and number of shares of the corporation that are owned beneficially and of record by each Proponent; (C) a description of any agreement, arrangement or understanding (whether oral or in writing) with respect to such nomination or proposal between or among any Proponent and any of its affiliates or associates, and any others (including their names) acting in concert, or otherwise under the agreement, arrangement or understanding, with any of the foregoing; (D) a representation that the Proponents are holders of record or beneficial owners, as the case may be, of shares of the corporation entitled to vote at the meeting and intend to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice (with respect to a notice under Section 5(b)(i) of these Bylaws) or to propose the business that is specified in the notice (with respect to a notice under Section 5(b)(ii) of these Bylaws); (E) a representation as to whether the Proponents intend to deliver a proxy statement and form of proxy to holders of a sufficient number of holders of the corporation's voting shares to elect such nominee or nominees (with respect to a notice under Section 5(b)(i) of these Bylaws) or to carry such proposal (with respect to a notice under Section 5(b)(ii) of these Bylaws); (F) to the extent known by any Proponent, the name and address of any other stockholder supporting the proposal on the date of such stockholder's notice; and (G) a description of all Derivative Transactions (as defined below) by each Proponent during the previous 12 month period, including the date of the transactions and the class, series and number of securities involved in, and the material economic terms of, such Derivative Transactions.

For purposes of Sections 5 and 6 of these Bylaws, a “*Derivative Transaction*” means any agreement, arrangement, interest or understanding entered into by, or on behalf or for the benefit of, any Proponent or any of its affiliates or associates, whether record or beneficial:

- (w) the value of which is derived in whole or in part from the value of any class or series of shares or other securities of the corporation;
- (x) which otherwise provides any direct or indirect opportunity to gain or share in any gain derived from a change in the value of securities of the corporation;
- (y) the effect or intent of which is to mitigate loss, manage risk or benefit of security value or price changes; or
- (z) which provides the right to vote or increase or decrease the voting power of, such Proponent, or any of its affiliates or associates, with respect to any securities of the corporation,

which agreement, arrangement, interest or understanding may include, without limitation, any option, warrant, debt position, note, bond, convertible security, swap, stock appreciation right, short position, profit interest, hedge, right to dividends, voting agreement, performance-related fee or arrangement to borrow or lend shares (whether or not subject to payment, settlement, exercise or conversion in any such class or series), and any proportionate interest of such Proponent in the securities of the corporation held by any general or limited partnership, or any limited liability company, of which such Proponent is, directly or indirectly, a general partner or managing member.

(c) A stockholder providing written notice required by Section 5(b)(i) or (ii) of these Bylaws shall update and supplement such notice in writing, if necessary, so that the information provided or required to be provided in such notice is true and correct in all material respects as of (i) the record date for the meeting and (ii) the date that is five business days prior to the meeting and, in the event of any adjournment or postponement thereof, five business days prior to such adjourned or postponed meeting. In the case of an update and supplement pursuant to clause (i) of this Section 5(c), such update and supplement shall be received by the Secretary at the principal executive offices of the corporation not later than five business days after the record date for the meeting. In the case of an update and supplement pursuant to clause (ii) of this Section 5(c), such update and supplement shall be received by the Secretary at the principal executive offices of the corporation not later than two business days prior to the date for the meeting, and, in the event of any adjournment or postponement thereof, two business days prior to such adjourned or postponed meeting.

(d) Notwithstanding anything in Section 5(b)(iii) of these Bylaws to the contrary, in the event that the number of directors in an Expiring Class (as defined below) is increased and there is no public announcement of the appointment of a director to such class, or, if no appointment was made, of the vacancy in such class, made by the corporation at least 10 days before the last day a stockholder may deliver a notice of nomination in accordance with Section 5(b)(iii) of these Bylaws, a stockholder’s notice required by this Section 5 and which

complies with the requirements in Section 5(b)(i) of these Bylaws, other than the timing requirements in Section 5(b)(iii) of these Bylaws, shall also be considered timely, but only with respect to nominees for any new positions in such Expiring Class created by such increase, if it shall be received by the Secretary at the principal executive offices of the corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the corporation. For purposes of this Section 5, an “**Expiring Class**” shall mean a class of directors whose term shall expire at the next annual meeting of stockholders.

(e) To be eligible to be a nominee for election or re-election as a director of the corporation pursuant to a nomination under clause (iii) of Section 5(a) of these Bylaws, such proposed nominee or a person on such proposed nominee’s behalf must deliver (in accordance with the time periods prescribed for delivery of notice under Section 5(b)(iii) or 5(d) of these Bylaws, as applicable) to the Secretary at the principal executive offices of the corporation a written questionnaire with respect to the background and qualification of such proposed nominee and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person (i) is not and will not become a party to (A) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the corporation, will act or vote on any issue or question (a “**Voting Commitment**”) that has not been disclosed to the corporation in the questionnaire or (B) any Voting Commitment that could limit or interfere with such person’s ability to comply, if elected as a director of the corporation, with such person’s fiduciary duties under applicable law; (ii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director of the corporation that has not been disclosed therein; and (iii) in such person’s individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the corporation, and will comply with, all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the corporation.

(f) A person shall not be eligible for election or re-election as a director unless the person is nominated either in accordance with clause (ii) of Section 5(a) of these Bylaws, or in accordance with clause (iii) of Section 5(a) of these Bylaws. Except as otherwise required 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, or the Proponent does not act in accordance with the representations in Sections 5(b)(iv)(D) and 5(b)(iv)(E) of these Bylaws, to declare that such proposal or nomination shall not be presented for stockholder action at the meeting and shall be disregarded, notwithstanding that proxies in respect of such nominations or such business may have been solicited or received.

(g) 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, a stockholder must also comply with all applicable requirements of the 1934 Act and the rules and regulations thereunder. Nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the 1934 Act; *provided, however*, that any references in these Bylaws to the 1934 Act or the rules and regulations thereunder are not intended to and shall not limit the requirements applicable to proposals and/or nominations to be considered pursuant to Section 5(a)(iii) of these Bylaws.

**Section I.** For purposes of Sections 5 and 6 of these Bylaws,

(i) "**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; and

(ii) "**affiliates**" and "**associates**" shall have the meanings set forth in Rule 405 under the Securities Act of 1933, as amended (the "**1933 Act**").

**Section 6. Special Meetings.**

(a) Special meetings of the stockholders of the corporation may be called, for any purpose as is a proper matter for stockholder action under Delaware law, 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).

(b) The Board of Directors shall determine the time and place, if any, of such special meeting. Upon determination of the time and place, if any, of the meeting, the Secretary shall cause a notice of meeting to be given to the stockholders entitled to vote, in accordance with the provisions of Section 7 of these Bylaws. No business may be transacted at such special meeting otherwise than specified in the notice of meeting.

(c) Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected (i) by or at the direction of the Board of Directors or (ii) by any stockholder of the corporation who is a stockholder of record at the time of giving notice provided for in this paragraph, who shall be entitled to vote at the meeting and who delivers written notice to the Secretary of the corporation setting forth the information required by Section 5(b)(i) of these Bylaws. In the event the corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder of record may nominate a person or persons (as the case may be), for election to such position(s) as specified in the corporation's notice of meeting, if written notice setting forth the information required by Section 5(b)(i) of these Bylaws shall be received by the Secretary at the principal executive offices of the

corporation not later than the close of business on the later of the 90<sup>th</sup> day prior to such meeting or the 10<sup>th</sup> day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. The stockholder shall also update and supplement such information as required under Section 5(c) of these Bylaws. In no event shall an adjournment or a postponement of a special meeting for which notice has been given, or the public announcement thereof has been made, commence a new time period for the giving of a stockholder's notice as described above.

(d) Notwithstanding the foregoing provisions of this Section 6, a stockholder must also comply with all applicable requirements of the 1934 Act and the rules and regulations thereunder with respect to matters set forth in this Section 6. Nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the 1934 Act; *provided, however*, that any references in these Bylaws to the 1934 Act or the rules and regulations thereunder are not intended to and shall not limit the requirements applicable to nominations for the election to the Board of Directors to be considered pursuant to Section 6(c) of these Bylaws.

**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 10 nor more than 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 proxy holders may be deemed to be present in person and vote at any such meeting. If mailed, notice is deemed 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. If sent via electronic transmission, notice is deemed given as of the sending time recorded at the time of transmission. 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 corporation's Amended and Restated Certificate of Incorporation ("**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 applicable stock exchange rules, or by the Certificate of Incorporation or these Bylaws, in all matters other than the election of directors, the affirmative vote of the majority of shares present in person, by remote communication, if applicable, or represented by proxy 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 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 at the meeting. 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 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 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 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 or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two 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 votes, his act binds all; (b) if more than one votes, the act of the majority so voting binds all; or (c) if more than one 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 clause (c) of this Section 11 shall be a majority or even-split in interest.

**Section 12. List of Stockholders.** The Secretary shall prepare and make, at least 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, (a) 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 (b) 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.** No action shall be taken by the stockholders except at an annual or special meeting of stockholders called in accordance with these Bylaws, and no action shall be taken by the stockholders by written consent or electronic transmission.

**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 or her 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 in accordance with the Certificate of Incorporation. 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 at a special meeting of the stockholders called for that purpose in the manner provided in these Bylaws.

**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. Classes of Directors.** Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the directors shall be divided into three classes designated as Class I, Class II and Class III, respectively. The Board of Directors is authorized to assign members of the Board of Directors already in office to such classes at the time the classification becomes effective. At the first annual meeting of stockholders following the initial classification of the Board of Directors, the term of office of the Class I directors shall expire and Class I directors shall be elected for a full term of three years. At the second annual meeting of stockholders following such initial classification, the term of office of the Class II directors shall expire and Class II directors shall be elected for a full term of three years. At the third annual meeting of stockholders following such initial classification, the term of office of the Class III directors shall expire and Class III directors shall be elected for a full term of three years. At each succeeding annual meeting of stockholders, directors shall be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual meeting.

Notwithstanding the foregoing provisions of this Section 17, each director shall serve until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

**Section 18. Vacancies.** 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, and not by the stockholders, *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, and not by the stockholders. 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.

**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. If no such specification is made, it shall be deemed effective at the time of delivery to the Secretary. 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 the rights of any series of Preferred Stock to elect additional directors under specified circumstances, neither the Board of Directors nor any individual director may be removed without cause.

(b) Subject to any limitation imposed by law, any individual director or directors may be removed with cause by the affirmative vote of the holders of at least 66 2/3% of the voting power of all then outstanding shares of capital stock of the corporation entitled to vote generally at an election of directors.

**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, by telephone, including a voice-messaging system or other system designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means. No further notice shall be required for regular meetings 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 Chief Executive Officer or a majority of the authorized number of directors.

(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 24 hours before the date and time of the meeting. If notice is sent by U.S. mail, it shall be sent by first class mail, charges prepaid, at least three 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 it had been transacted 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, and except with respect to questions related to indemnification arising under Section 45 of these Bylaws for which a quorum shall be one-third of the exact number of directors fixed from time to time, 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 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 (other than the election or removal of directors) 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 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 Section 25, 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 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 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. 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.

**Section 27. Lead Independent Director.** The Chairman of the Board of Directors, or if the Chairman is not an independent director, one of the independent directors, may be designated by the Board of Directors as lead independent director ("**Lead Independent Director**") to serve until replaced by the Board of Directors. The Lead Independent Director will: with the Chairman of the Board of Directors, establish the agenda for regular Board meetings and serve as chairman of Board of Directors meetings in the absence of the Chairman of the Board of Directors; establish the agenda for meetings of the independent directors; coordinate with the committee chairs regarding meeting agendas and informational requirements; preside over meetings of the independent directors; preside over any portions of meetings of the Board of Directors at which the evaluation or compensation of the Chief Executive Officer is presented or discussed; preside over any portions of meetings of the Board of Directors at which the performance of the Board of Directors is presented or discussed; and perform such other duties as may be established or delegated by the Chairman of the Board of Directors.

**Section 28. 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 Lead Independent Director, or if the Lead Independent Director is absent, the Chief Executive Officer (if a director), or, if a Chief Executive Officer is absent, the President (if a director), 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 or other officer or director directed to do so by the Chairman, shall act as secretary of the meeting.

## ARTICLE V

### OFFICERS

**Section 29. Officers Designated.** The officers of the corporation shall include, if and when designated by the Board of Directors, the Chairman of 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 Assistant Secretaries and Assistant Treasurers 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 30. 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 Chief Executive Officer.** The Chief Executive Officer 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 or the Lead Independent Director has been appointed and is present. Unless an officer has been appointed 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. To the extent that a Chief Executive Officer has been appointed and no President has been appointed, all references in these Bylaws to the President shall be deemed references to the Chief Executive Officer. The Chief Executive Officer 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.

(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, the Lead Independent Director, or the Chief Executive Officer has been appointed and is present. Unless another officer has been appointed 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 Chief Executive Officer, or, if the Chief Executive Officer has not been appointed or is absent, 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 or other officer 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 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. To the extent that a Chief Financial Officer has been appointed and no Treasurer has been appointed, all references in these Bylaws to the Treasurer shall be deemed references to the Chief Financial Officer. The President may direct the Treasurer, if any, 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.

(g) **Duties of Treasurer.** Unless another officer has been appointed Chief Financial Officer of the corporation, the Treasurer shall be the chief financial officer of the corporation and 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, and, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Treasurer 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 31. 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 32. Resignations.** Any officer may resign at any time by giving notice in writing or by electronic transmission 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 33. 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 consent of the directors in office at the time, or by any committee or by the Chief Executive Officer or by other superior officers upon whom such power of removal may have been conferred by the Board of Directors.

## ARTICLE VI

### EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

**Section 34. 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 depositaries 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 35. 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 36. Form and Execution of Certificates.** The shares of the corporation shall be represented by certificates, or shall be uncertificated if so provided by resolution or resolutions of the Board of Directors. Certificates for the shares of stock of the corporation, if any, shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock represented by certificate in the corporation shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman of the Board of Directors, the Chief Executive Officer, or the President or any Vice President and by the Chief Financial Officer, 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 37. 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 38. Transfers.**

(a) Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and, in the case of stock represented by certificate, upon the surrender of a properly endorsed certificate or certificates for a like number of shares.

(b) The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

**Section 39. 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 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 60 nor less than 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 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 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 40. 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 41. Execution of Other Securities.** All bonds, debentures and other corporate securities of the corporation, other than stock certificates (covered in Section 36 of these Bylaws), may be signed by the Chairman of the Board of Directors, the Chief Executive Officer, 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 42. 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 43. 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 44. Fiscal Year.** The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

ARTICLE XI  
INDEMNIFICATION

**Section 45. Indemnification of Directors, Officers, Employees and Other Agents.**

(a) **Directors and Officers.** The corporation shall indemnify its directors and officers to the 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 officers; and, *provided, further*, that the corporation shall not be required to indemnify any director or 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 DGCL or any other applicable law or (iv) such indemnification is required to be made under subsection (d).

(b) **Employees and Other Agents.** The corporation shall have power to indemnify its 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 for 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 officer, of the corporation, or is or was serving at the request of the corporation as a director or 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 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 (hereinafter 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 (hereinafter a “**final adjudication**”) that such indemnitee is not entitled to be indemnified for such expenses under this Section 45 or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to paragraph (e) of this Section 45, no advance shall be made by the corporation to an officer of the corporation (except by reason of the fact that such 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 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 vote 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 officers under this Section 45 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 officer. Any right to indemnification or advances granted by this Section 45 to a director or 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 90 days of request therefor. To the extent permitted by law, 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 officer of the corporation (except in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such officer is or was a director of the corporation) for advances, the corporation shall be entitled to raise 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 the director or officer 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 officer to enforce a right to indemnification or to an advancement of expenses hereunder, the burden of proving that the director or officer is not entitled to be indemnified, or to such advancement of expenses, under this Section 45 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 such person's 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 by 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 or officer, or, if applicable, 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 Section 45.

(h) **Amendments.** Any repeal or modification of this Section 45 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 officer to the full extent not prohibited by any applicable portion of this Section 45 that shall not have been invalidated, or by any other applicable law. If this Section 45 shall be invalid due to the application of the indemnification provisions of another jurisdiction, then the corporation shall indemnify each director and officer to the full extent under any other applicable law.

(j) **Certain Definitions.** For the purposes of this Bylaw, the following definitions shall apply:

(i) 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.

(ii) 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.

(iii) 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 Section 45 with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.



(iv) References to a “*director*,” “*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, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(v) References to “*other enterprises*” shall include employee benefit plans; references to “*finances*” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to “*servicing 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 such person 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 Section 45.

## ARTICLE XII

### NOTICES

#### Section 46. Notices.

(a) **Notice to Stockholders.** Written notice to stockholders of stockholder meetings shall be given as provided in Section 7 of these Bylaws. 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 U.S. 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), as otherwise provided in these Bylaws, or by overnight delivery service, facsimile, telex or telegram, except that such notice other than one which is delivered personally 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 the DGCL, any notice given under the provisions of the 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 47. Amendments.** Subject to the limitations set forth in Section 45(h) of these Bylaws or the provisions of the Certificate of Incorporation, the Board of Directors is expressly empowered to adopt, amend or repeal the Bylaws of the corporation. Any adoption, amendment or repeal of the Bylaws of the corporation by the Board of Directors shall require the approval of a majority of the authorized number of directors. The stockholders also shall 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 66 2/3% 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

#### LOANS TO OFFICERS OR EMPLOYEES

**Section 48. Loans to Officers or Employees.** Except as otherwise prohibited by 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 XV

### MISCELLANEOUS

#### Section 49. Forum.

(a) Unless the corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) and any appellate court therefrom shall be the sole and exclusive forum for the following claims or causes of action under the Delaware statutory or common law: (A) any derivative claim or cause of action brought on behalf of the corporation; (B) any claim or cause of action for breach of a fiduciary duty owed by any current or former director, officer or other employee of the corporation, to the corporation or the corporation's stockholders; (C) any claim or cause of action against the corporation or any current or former director, officer or other employee of the corporation, arising out of or pursuant to any provision of the DGCL, the Certificate of Incorporation or these Bylaws (as each may be amended from time to time); (D) any claim or cause of action seeking to interpret, apply, enforce or determine the validity of the Certificate of Incorporation or these Bylaws (as each may be amended from time to time, including any right, obligation, or remedy thereunder); (E) any claim or cause of action as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; and (F) any claim or cause of action against the corporation or any current or former director, officer or other employee of the corporation, governed by the internal-affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court having personal jurisdiction over the indispensable parties named as defendants. This Section 49 of Article XV shall not apply to claims or causes of action brought to enforce a duty or liability created by the 1933 Act or the 1934 Act, or any other claim for which the federal courts have exclusive jurisdiction.

(b) Unless the corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the 1933 Act.

(c) Any person or entity holding, owning or otherwise acquiring any interest in any security of the corporation shall be deemed to have notice of and consented to the provisions of these Bylaws.

**KRONOS BIO, INC.**

**AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

THIS AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this "**Agreement**"), is made as of July 1, 2019, by and among Kronos Bio, Inc., a Delaware corporation (the "**Company**"), the holders of the Company's Series Seed Preferred Stock, par value \$0.001 per share (the "**Series Seed Preferred Stock**"), listed on Schedule A hereto (the "**Series Seed Holders**"), and the holders of the Company's Series A Preferred Stock, par value \$0.001 per share (the "**Series A Preferred Stock**," and together with the Series Seed Preferred Stock, the "**Preferred Stock**"), listed on Schedule A hereto (the "**Series A Holders**," and together with the Series Seed Holders, the "**Investors**") and any Additional Purchaser (as defined in the Purchase Agreement) that becomes a party to this Agreement in accordance with Section 6.9 hereof.

**RECITALS**

**WHEREAS**, the Company and the Series Seed Holders are parties to that certain Investors' Rights Agreement dated as of May 22, 2018 (the "**Prior Agreement**");

**WHEREAS**, in accordance with Section 6.6 of the Prior Agreement, amendment of the Prior Agreement requires the written consent of the Company and the holders of at least sixty percent (60%) of the Registrable Securities (as defined in the Prior Agreement) then outstanding;

**WHEREAS**, the Company and the Series A Holders are parties to the Series A Preferred Stock Purchase Agreement of even date herewith (the "**Purchase Agreement**"); and

**WHEREAS**, the Company and the undersigned Series Seed Holders desire to amend and restate the Prior Agreement in accordance with Section 6.6 thereof in order to induce the Series A Holders to invest funds in the Company pursuant to the Purchase Agreement, and the Investors and the Company hereby agree that this Agreement shall govern the rights of the Investors to cause the Company to register shares of Common Stock 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.

**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 now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company with, such Person. For the avoidance of doubt, Polaris Growth Fund I, L.P. and its respective Affiliates shall each be deemed to be an Affiliate of LS Polaris Innovation Fund, L.P., Polaris Partners VIII, L.P. and Polaris Entrepreneurs' Fund VIII, L.P.

1.2 **“Common Stock”** means shares of the Company’s common stock, par value \$0.001 per share.

1.3 **“Competitor”** means a Person engaged, directly or indirectly (including through any partnership, limited liability company, corporation, joint venture or similar arrangement (whether now existing or formed hereafter)), in the business of discovering and developing cancer therapies, including the screening of chemical libraries to identify binders or inhibitors of complex protein interactions, but shall not include (a) any financial investment firm or collective investment vehicle that, together with its Affiliates, holds less than twenty percent (20)% of the outstanding equity of any Competitor and does not, nor do any of its Affiliates, have a right to designate any members of the Board of Directors of any Competitor, (b) Two River Consulting, LLC (including its partners, officers and Affiliates), (c) Vida Ventures, LLC and its Affiliates, (d) GV 2019, L.P. and its Affiliates, (e) LS Polaris Innovation Fund, L.P., Polaris Partners VIII, L.P. and Polaris Entrepreneurs’ Fund VIII, L.P. (including their respective partners, officers, investment firms, investment vehicles, and Affiliates), (f) Bonderman Family Limited Partnership and its Affiliates, (g) Artal Treasury Ltd. and its Affiliates, (h) any then current officer or director of the Company, or (i) any other Person that the Board determines, in its sole discretion, shall not be deemed to be a Competitor for purposes of this Agreement.

1.4 **“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.

1.5 **“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.

1.6 **“Exchange Act”** means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.7 **“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.

1.8 **"FOIA Party"** means a Person that, in the reasonable determination of the Board of Directors of the Company (the **"Board"**), may be subject to, and thereby required to disclose non-public information furnished by or relating to the Company under, the Freedom of Information Act, 5 U.S.C. 552 (**"FOIA"**), any state public records access law, any state or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement.

1.9 **"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.

1.10 **"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.

1.11 **"GAAP"** means generally accepted accounting principles in the United States.

1.12 **"Holder"** means any holder of Registrable Securities who is a party to this Agreement.

1.13 **"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.

1.14 **"Initiating Holders"** means, collectively, Holders who properly initiate a registration request under this Agreement.

1.15 **"IPO"** means the Company's first underwritten public offering of its Common Stock under the Securities Act.

1.16 **"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).

1.17 **"Major Investor"** means an Investor holding at least one million (1,000,000) shares of Preferred Stock (or Common Stock issued upon conversion of Preferred Stock).

1.18 **"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.

- 1.19 "**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.
- 1.20 "**Preferred Director**" means each of the Series A Directors and the Series Seed Directors.
- 1.21 "**Preferred Stock**" means, collectively, shares of the Company's Series Seed Preferred Stock and Series A Preferred Stock.
- 1.22 "**Qualified IPO**" means the closing of a public offering of shares of Common Stock that would result in an automatic conversion of the Preferred Stock pursuant to Section 5.1 of Article Fourth of the Restated Certificate.
- 1.23 "**Registrable Securities**" means (i) the Common Stock issuable or issued upon conversion of the Preferred Stock; and (ii) 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 clause (i) 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.
- 1.24 "**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.
- 1.25 "**Restated Certificate**" means the Company's third amended and restated certificate of incorporation filed with the Secretary of State of Delaware on or about the date hereof, as may be amended and/or restated from time to time.
- 1.26 "**Restricted Securities**" means the securities of the Company required to be notated with the legend set forth in Subsection 2.12(b) hereof.
- 1.27 "**SEC**" means the Securities and Exchange Commission.
- 1.28 "**SEC Rule 144**" means Rule 144 promulgated by the SEC under the Securities Act.
- 1.29 "**SEC Rule 145**" means Rule 145 promulgated by the SEC under the Securities Act.
- 1.30 "**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.
- 1.31 "**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.

1.32 **“Series A Preferred Stock”** means shares of the Company’s Series A Preferred Stock, par value \$0.001 per share.

1.33 **“Series A Directors”** means any directors of the Company that the holders of record of the Series A Preferred Stock are entitled to elect pursuant to the Restated Certificate.

1.34 **“Series Seed Directors”** means any directors of the Company that the holders of record of the Series Seed Preferred Stock are entitled to elect pursuant to the Restated Certificate.

1.35 **“Series Seed Preferred Stock”** means shares of the Company’s Series Seed Preferred Stock, par value \$0.001 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 one hundred eighty (180) days after the effective date of the registration statement for the IPO, the Company receives a request from Holders of at least sixty percent (60%) of the Registrable Securities then outstanding that the Company file a Form S-1 registration statement with respect to the Registrable Securities then outstanding with an anticipated aggregate offering price, net of Selling Expenses, of at least \$15 million, 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 \$3 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 Board 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 one hundred twenty (120) 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 one hundred twenty (120) day period other than an Excluded Registration.

(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 (2) 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 (2) 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 Common Stock 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 by up to an additional 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 \$10,000, 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 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 the Holders of a majority of the Registrable Securities 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 and accountants 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 maybe 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); (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company; and (iii) 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 Holders of sixty-seven percent (67%) of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that (i) would 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 commencing on the date of the final prospectus relating to the registration by the Company of shares of its Common Stock or any other equity securities under the Securities Act on a registration statement on Form S-1 or Form S-3, and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days in the case of the IPO, plus up to eighteen (18) additional days as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports, and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto), (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 (whether such shares or any such securities are then owned by the Holder or are thereafter acquired) 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 five percent (5%) 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. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply pro rata to all Holders subject to such agreements, based on the number of shares subject to such agreements.

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.

(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, AS AMENDED. SUCH SECURITIES 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 INVESTORS' RIGHTS AGREEMENT, AS AMENDED, AMONG THE COMPANY, THE STOCKHOLDER AND THE OTHER PARTIES THERETO, 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.

(c) 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, 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 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 Restated Certificate;
- (b) following the date on which the Company is subject to the periodic reporting requirements under Section 13 or 15(d) of the Exchange Act, such time as SEC 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; or
- (c) the fifth anniversary of the IPO.

3.3 Information Rights.

3.1 Delivery of Financial Statements. The Company shall deliver to each Major Investor, provided that the Board has not reasonably determined that such Major Investor is a Competitor:

(a) as soon as practicable, but in any event within one hundred twenty (120) days after the end of each fiscal year of the Company (i) a balance sheet as of the end of such fiscal year, (ii) statements of income and of cash flows for such fiscal year, and (iii) a statement of stockholders' equity as of the end of such fiscal year; all such financial statements will be prepared in accordance with GAAP, and may be audited or unaudited as determined by the Board;

(b) as soon as practicable, 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, but in any event 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 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

(d) within thirty (30) days following a request by the Major Investor, (i) an unaudited income statement for a given 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 (x) be subject to normal year-end audit adjustments and (y) not contain all notes thereto that may be required in accordance with GAAP), and (ii) a summary capitalization table as of a given month that will enable such Major Investor to determine its percentage ownership in the Company's outstanding capital stock.

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 sixty (60) 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 Investor (provided that the Board has not reasonably determined that such Investor is a Competitor), at such 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 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 Termination of Information. The covenants set forth in Subsection 3.1 and Subsection 3.2 shall terminate and be of no further force or effect upon the earliest to occur of: (i) immediately before the consummation of the IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon a Deemed Liquidation Event, as such term is defined in the Restated Certificate.

3.4 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 Subsection 3.4 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 3.4; (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.

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 Investor. An 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 and (ii) its Affiliates; provided that each such Affiliate (x) is not a Competitor or FOIA Party, unless such party's purchase of New Securities is otherwise consented to by the Board, (y) agrees to enter into this Agreement and the Amended and Restated Voting Agreement of even date herewith among the Company, the Investors and the other parties named therein (the "Voting Agreement"), as an "Investor" under each such agreement (provided that any Competitor or FOIA Party shall not be entitled to any rights as an Investor under Subsections 3.1, 3.2 and 4.1 hereof).

(a) The Company shall give notice (the "Offer Notice") to each 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 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 proportion that the Registrable Securities then held by such Investor bears to the total number of Registrable Securities then outstanding. At the expiration of such twenty (20) day period, the Company shall promptly notify each Investor that elects to purchase or acquire all the shares available to it (each, a "Fully Exercising Investor") of any other 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 Investors were entitled to subscribe but that were not subscribed for by the Investors which is equal to the proportion that the Registrable Securities then held, by such Fully Exercising Investor bears to the Registrable 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 one hundred and twenty (120) 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).

(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 one hundred and twenty (120) 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 Investors 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 Restated Certificate); (ii) shares of Common Stock issued in the IPO; and (iii) the issuance of shares of 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) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) a Deemed Liquidation Event, as such term is defined in the Restated Certificate, whichever event occurs first.

#### 5.5 Additional Covenants.

5.1 Insurance. The Company shall use its commercially reasonable efforts to obtain, within ninety (90) days of the date hereof, from financially sound and reputable insurers Directors and Officers liability insurance, each in an amount and on terms and conditions satisfactory to the Board of Directors (including at least a majority of the Preferred Directors then in office), and will use commercially reasonable efforts to cause such insurance policies to be maintained until such time as the Board of Directors (including at least a majority of the Preferred Directors then in office) determines that such insurance should be discontinued. Notwithstanding any other provision of this Section 5.1 to the contrary, for so long as a Preferred Director (as defined in the Restated Certificate) is serving on the Board of Directors, the Company shall not cease to maintain a Directors and Officers liability insurance policy unless approved by such Preferred Director, and the Company shall annually, within one hundred twenty (120) days after the end of each fiscal year of the Company, deliver to the Preferred Directors a certification that such a Directors and Officers liability insurance policy remains in effect.

5.2 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. 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 approval of a majority of the Board of Directors (including at least a majority of the Preferred Directors then in office).

5.3 **Employee Stock.** Unless otherwise approved by the Board (including at least a majority of the Preferred Directors then in office) 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 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 three (3) years, (ii) the immediate expiration of all unvested options upon an employee's or consultant's, as applicable, termination or resignation from the Company, (iii) a ninety (90) day exercise period for an employee or consultant, as applicable, to exercise vested options upon an employee's or consultant's, as applicable, termination or resignation, and (iv) a market stand-off provision substantially similar to that in Subsection 2.11. Without the prior approval of the Board (including at least a majority of the Preferred Directors then in office), the Company shall not amend, modify, terminate, waive or otherwise alter, in whole or in part, any stock purchase, stock restriction or option agreement with any existing employee or service provider if such amendment would cause it to be inconsistent with this Subsection 5.3. In addition, unless otherwise approved by the Board (including at least a majority of the Preferred Directors then in office) 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.

5.4 **Board Matters.** Unless otherwise determined by the vote of a majority of the directors then in office, the Board shall meet at least quarterly in accordance with an agreed-upon schedule. The Company shall reimburse the directors for all reasonable and documented out-of-pocket expenses (consistent with Company policies) incurred in connection with attending meetings of the Board. Each Preferred Director shall be entitled in such person's discretion to be a member of any committee of the Board of Directors.

5.5 **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 as in effect immediately before such transaction, whether such obligations are contained in the Company's Bylaws, the Restated Certificate, or elsewhere, as the case may be.

5.6 **Indemnification Matters.** The Company hereby acknowledges that one (1) or more of the directors nominated to serve on the Board 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 Restated Certificate 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

5.7 Additional Approvals. Without the approval of the Board (including the affirmative vote or consent of a majority of the Preferred Directors then in office), the Company shall not, either directly or indirectly by amendment, merger, consolidation or otherwise (i) consummate a “Deemed Liquidation Event” as defined in the Restated Certificate, (ii) issue or obligate itself to issue any New Securities (other than Exempted Securities, shares of Common Stock issued in the IPO, or shares of Preferred Stock issued pursuant to the Purchase Agreement) or (iii) sell, assign, license, pledge, or encumber any material intellectual property assets, other than non-exclusive licenses granted in the ordinary course of business.

5.8 CFIUS Matters. To the extent that the Company engages in the design, fabrication, development, testing, production or manufacture of critical technologies within the meaning of the Defense Production Act of 1950, as amended, including all implementing regulations thereof, whether because of a new categorization of technology by the U.S. government or otherwise, the Company shall promptly provide notice to Omega Fund V, L.P. (“Omega”).

5.9 Termination of Covenants. The covenants set forth in this Section 5, except for Subsections 5.5 and 5.6, shall terminate and be of no further force or effect upon the earliest to occur of: (i) immediately before the consummation of the IPO; (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act; or (iii) upon a Deemed Liquidation Event, as such term is defined in the Restated Certificate.

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 at least 100,000 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 and any controversy arising out of or relating to this Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware to the extent applicable, and to the extent the General Corporation Law of the State of Delaware is not applicable, the laws of the State of Delaware, without regard to conflict of law principles that would result in the application of any law other than such 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](http://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.

(a) 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 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 the principal office of the Company and to the attention of the Chief Executive Officer, in the case of the Company, or to such email address, facsimile number, or address as subsequently modified by written notice given in accordance with this Subsection 6.5. If notice is given to the Company, a copy (which shall not constitute notice) shall also be sent to Fredrikson & Byron, P.A., 200 South Sixth Street, Suite 4000, Minneapolis, MN 55402-1425, Attn: Christopher J. Melsha, Esq., email: .

(b) Each Investor consents to the delivery of any stockholder notice pursuant to the Delaware General Corporation Law (the "DGCL"), as amended or superseded from time to time, by electronic transmission pursuant to Section 232 of the DGCL (or any successor thereto) at the electronic mail address or the facsimile number set forth below such Investor's name on the Schedules hereto, as updated from time to time by notice to the Company, or as on the books of the Company. To the extent that any notice given by means of electronic transmission is returned or undeliverable for any reason, the foregoing consent shall be deemed to have been revoked until a new or corrected electronic mail address has been provided, and such attempted Electronic Notice shall be ineffective and deemed to not have been given. Each Investor agrees to promptly notify the Company of any change in such stockholder's electronic mail address, and that failure to do so shall not affect the foregoing.

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 the holders of sixty-seven percent (67%) of the Registrable Securities then outstanding; 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. In addition, any amendment or waiver of (i) Section 5.7 shall require the approval of the Board (including the affirmative vote or consent of a majority of the Preferred Directors then in office), and (ii) Section 5.8 shall require the consent of Omega. 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.

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 Affiliated persons may apportion such rights as among themselves in any manner they deem appropriate.

6.9 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of the Company's Preferred Stock after the date hereof, any purchaser of such shares of Preferred Stock shall, as a condition to such issuance, 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. No action or consent by the Investors shall be required for such joinder to this Agreement by such additional Investor, so long as such additional Investor has agreed in writing to be bound by all of the obligations as an "Investor" 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 terminate and be of no further force and effect and shall be superseded and replaced in its entirety by this Agreement.

6.11 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of New York and to the jurisdiction of the United States District Court for the Southern District of New York 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 New York or the United States District Court for the Southern District of New York, 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.

WAIVER OF JURY TRIAL: EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

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.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**KRONOS BIO, INC.**

By: /s/ Norbert W. Bischofberger

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Name: Norbert W. Bischofberger  
Title: President and Chief Executive Officer

Address: 1300 S. El Camino Real  
Suite 300  
San Mateo, CA 94402

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

**SEAVIEW TRUST**

By: /s/ Hannah Ackerman  
Name: Hannah Ackerman  
Title: Trustee

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

**BELCO CAPITAL, LLC**

By: /s/ Joshua Bradley  
Name: Joshua Bradley  
Title: Executive Officer

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS**



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

**VECCHIA PARTNERS, LTD.**

By: /s/ Rebecka Beldegrun  
Name: Rebecka Beldegrun  
Title: Director

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Tampere Trust

By: /s/ Mark Lewis & Karen Oliver

Name: Mark Lewis & Karen Oliver

(signature)

Title: Directors of Novatrust Limited as  
trustee of the Tampere Trust

This Agreement is entered into by Novatrust Limited in its capacity as trustee only of the Tampere Trust and its liability hereunder is limited to the property held by it from time to time as trustee only of that Trust

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Adrenalin Properties Limited

By: /s/ Mark Lewis & Karen Oliver

(signature)

Name: Chaumont (Directors) limited

Title: Sole Corporate Director

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

**Ron-BCT**

By: /s/ Hanna Ackerman  
Name: Hanna Ackerman  
Title: Trustee

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

**Mia-BCT**

By: /s/ Hanna Ackerman  
Name: Hanna Ackerman  
Title: Trustee

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

**Daniel-BCT**

By: /s/ Hanna Ackerman  
Name: Hanna Ackerman  
Title: Trustee

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

**PZS-MIA GCT**

By: /s/ Hanna Ackerman  
Name: Hanna Ackerman  
Title: Trustee

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

**PZS-Ben BCT**

By: /s/ Hanna Ackerman  
Name: Hanna Ackerman  
Title: Trustee

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS**



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

**JOSHUA A. KAZAM AND JOIA KAZAM,  
JTWROS**

/s/ Joshua A. Kazam

Joshua A. Kazam

/s/ Joia Kazam

Joia Kazam

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: David Tanen Revocable Grantor Trust

By: /s/ Gregory Kiernan  
(signature)

Name: Gregory Kiernan

Title: Trustee

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Sonostar Ventures LLC

By: /s/ Gregory Kiernan  
(signature)

Name: Gregory Kiernan

Title: Pres. & CEO

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
/s/ Gregory Kiernan  
(signature)

\_\_\_\_\_  
Gregory Kiernan  
(print name)

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Kiernan Family Trust

By: /s/ Vera H. Kiernan  
(signature)

Name: Vera H. Kiernan

Title: Trustee

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
/s/ Owen Witte

(signature)

\_\_\_\_\_  
Owen Witte

(print name)

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_

(signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Chang 2006 Family Trust

By: /s/ David D Chang & Jane Chang  
(signature)

Name: David D Chang & Jane Chang

Title: co-Trustees

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Julia Chang 2018 Irrevocable Trust

By: /s/ David D Chang  
(signature)

Name: David Chang

Title: Trustee

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Robert Chang 2018 Irrevocable Trust

By: /s/ David D Chang  
(signature)

Name: David Chang

Title: Trustee

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
/s/ Christopher M. Wilfong  
(signature)

\_\_\_\_\_  
Christopher M. Wilfong  
(print name)

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

**OMEGA FUND V, L.P.**

**By: OMEGA FUND V GP, L.P.  
its General Partner**

**By: OMEGA FUND V GP MANAGER, LTD.  
its General Partner**

By: /s/ A-M Paster  
Name: A-M Paster  
Title: \_\_\_\_\_

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Linda C. Barnes, Trustee of the  
Linda C. Barnes Living Trust, dated 11/8/18

By: /s/ Linda C. Barnes  
(signature)

Name: Linda C. Barnes

Title: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Navins Living Trust UAD 1/14/16

By: /s/ Scott Navins  
(signature)

Name: Scott Navins

Title: Trustee

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
/s/ Veer Bhavnagri  
(signature)

\_\_\_\_\_  
Veer Bhavnagri  
(print name)

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
/s/ Steven Blum

(signature)

\_\_\_\_\_  
Steven Blum

(print name)

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_

(signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
/s/ Marius Pop  
(signature)

\_\_\_\_\_  
Marius Pop  
(print name)

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

**NORBERT W & INGER A  
BISCHOFBERGER REVOCABLE INTER  
VIVOS TRUST, DTD AUGUST 29, 1994**

**/s/ Norbert Bischofberger**

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Nexus Development PA, LLC

By: /s/ John C. Martin  
(signature)

Name: John C. Martin

Title: President

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Vida Ventures

By: /s/ Stefan Vitorovic  
(signature)

Name: Stefan Vitorovic

Title: Managing Director

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

**LG LANGE III TRUST DTD 10/12/16**

By: /s/ Louis Lange  
Name: Louis Lange  
Title: Trustee

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: GV 2019, L.P.  
By: GV 2019 GP, L.O., its General Partner  
By: GV 2019 GP, L.L.C., its General Partner  
By: /s/ Daphne Chang  
(signature)  
Name: Daphne M Chang  
Title: Authorized Signatory

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Perceptive Life Sciences Master Fund, LTD.

By: /s/ James H Mannix  
(signature)

Name: James H Mannix

Title: COO

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Nextech V Oncology SCS, SICAV - SIF

By: /s/ James Pledger  
(signature)

Name: James Pledger

Title: Manager

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

**POLARIS PARTNERS VIII, L.P.**

By: POLARIS PARTNERS GP VIII, L.L.C.  
Its: GENERAL PARTNER

By: /s/ Lauren Crockett  
Lauren Crockett  
Attorney-in-fact

**POLARIS ENTREPERNEURS' FUND VIII, L.P.**

By: POLARIS PARTNERS GP VIII, L.L.C.  
Its: GENERAL PARTNER

By: /s/ Lauren Crockett  
Lauren Crockett  
Attorney-in-fact

**LS POLARIS INNOVATION FUND, L.P.**

By: LS POLARIS INNOVATION GP, L.L.C.  
Its: GENERAL PARTNER

By: /s/ Lauren Crockett  
Lauren Crockett  
Attorney-in-fact

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
/s/ Joshua Bradley  
(signature)

\_\_\_\_\_  
Joshua Bradley  
(print name)

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
/s/ Andrew Riley  
(signature)

\_\_\_\_\_  
Andrew Riley  
(print name)

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
/s/ Jerry I. Speyer  
(signature)

\_\_\_\_\_  
Jerry I. Speyer  
(print name)

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
/s/ Robert J. Speyer  
(signature)

\_\_\_\_\_  
Robert J. Speyer  
(print name)

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

**BROTHERS EQUITIES LLC**

By: /s/ Jeffrey V. Mandel  
Jeffrey V. Mandel  
Authorized Signatory

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

**BROTHERS EQUITIES LLC**

By: /s/ Paul Galiano  
Paul Galiano  
Managing Member

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
/s/ Aaron Kazam/ Samantha Kazam

(signature)

\_\_\_\_\_  
Aaron Kazam & Samantha Kazam

(print name)

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_

(signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
/s/ Philip P. Gutry  
(signature)

\_\_\_\_\_  
Philip P. Gutry  
(print name)

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_ The Carrithers Family Trust DTD 3/8/2017

By: \_\_\_\_\_ /s/ Traci L Carrithers  
(signature)

Name: \_\_\_\_\_ Traci L Carrithers

Title: \_\_\_\_\_ Exec Coordinator/Operations Manager

\_\_\_\_\_/s/ Shannon F Carrithers

Name: \_\_\_\_\_ Shannon F Carrithers

Title: \_\_\_\_\_ RN

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
/s/ Ronald I Dozoretz  
(signature)

\_\_\_\_\_  
Ronald I Dozoretz  
(print name)

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Bonderman Family Limited Partnership

By: /s/ Clive Bode  
(signature)

Name: Clive Bode

Title: President

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_/s/ Tatiana Kedel

(signature)

\_\_\_\_\_/Tatiana Kedel

(print name)

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: KBV LLC. \_\_\_\_\_

By: Kingsbrook Opportunities GP LLC, its manager \_\_\_\_\_

By: /s/ Scott M Walker  
\_\_\_\_\_  
(signature)

Name: Scott M Walker \_\_\_\_\_

Title: Managing Member \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Artal Treasury Ltd.

By: /s/ Kirsty Philippe  
(signature)

Name: Kirsty Philippe

Title: Director

Email: \_\_\_\_\_

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENTS**

**AMENDMENT TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

THIS AMENDMENT TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this "**Amendment**") is made as of August 20, 2020, by and among Kronos Bio, Inc., a Delaware corporation (the "**Company**"), and the other individuals and entities listed on the signature pages hereto (the "**Investors**"), and amends that certain Amended and Restated Investors' Rights Agreement, dated July 1, 2019, by and among the Company and the investors listed on Schedule A thereto (the "**Agreement**").

**RECITALS**

A. The Company and the Investors have agreed to enter into this Amendment to modify the terms of the Agreement in connection with the sale and issuance of convertible promissory notes of the Company (the "**Notes**") pursuant to that certain Note Purchase Agreement, dated as of the date hereof, by and among the Company and the purchasers listed on Exhibit A thereto.

B. The Agreement provides that any term of the Agreement may be amended only with the written consent of the Company and the holders of 67% of the Registrable Securities (as defined in the Agreement) then outstanding; provided that any amendment to Section 5.8 of the Agreement shall require the consent of Omega (as defined in the Agreement).

**AGREEMENT**

The parties hereby agree as follows:

1. Section 1.23 of the Agreement is hereby amended and restated to read in full as follows:

“**Registrable Securities**” means (i) the Common Stock issuable or issued upon conversion of the Preferred Stock; (ii) any Common Stock issued upon conversion of the Notes in connection with an Initial Public Offering (as defined in the Notes); and (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. For purposes of this Section 1.23, “**Notes**” shall mean the Company’s convertible promissory notes issued pursuant to that certain Note Purchase Agreement, dated August 20, 2020, by and among the Company and the purchasers listed on Exhibit A thereto.”

2. Section 2.11 of the Agreement is hereby amended and restated to read in full as follows:

“**Market Stand-off Agreement**. Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the IPO, and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days (the "**Lock-Up Period**")), (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 prior to 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: (A) apply only to the IPO; (B) 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; provided, however, that the foregoing restrictions shall not apply, in the case of a Holder that is an entity, to the transfer of any shares to an Affiliate of such Holder or any of the Holder's stockholders, members, partners or other equity holders, provided that such Affiliate, stockholder, member, partner or other equity holder agrees to be bound in writing by the restrictions set forth herein and no public disclosure or filing under the Exchange Act by any party to the transfer (the Holder, Affiliate, stockholder, member, partner or other equity holder) shall be required, or made voluntarily, during the Lock-up Period; (C) be applicable to the Holder only if all officers, directors, and stockholders individually owning more than 1% of the Company's outstanding Common Stock (after giving effect to conversion into Common Stock of all outstanding shares of Preferred Stock) are subject to the same restrictions; and (D) not apply to any sale or transfer of, or other transactions relating to, any shares acquired (x) from the underwriters in the IPO or (y) in open market transactions on or after the IPO. In addition, if any officer, director or stockholder of the Company is granted an early release from the restrictions described in this Section 2.11 during the Lock-Up Period with respect to more than 1% in the aggregate of the Company's total outstanding common stock (whether in one or multiple releases), then the Holder shall also be granted an early release from its obligations hereunder on a pro rata basis with all other record or beneficial holders of similarly restricted securities of the Company based on the maximum percentage of shares held by any such record or beneficial holder being released from such holder's lock-up agreement; provided, however, that in the case of an early release from the restrictions described herein during the Lock-Up Period in connection with an underwritten public offering, whether or not such offering or sale is wholly or partially a secondary offering of common stock (an "**Underwritten Sale**"), such early release shall only apply with respect to the Holder's participation in such Underwritten Sale so long as such Holder is given the ability to participate in such Underwritten Sale on a proportionate basis with the holder being released. 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.”

3. Section 2.12 of the Agreement is hereby amended and restated to read in full as follows:

“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, pursuant to SEC Rule 144, in each case, 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, AS AMENDED. SUCH SECURITIES 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 INVESTORS' RIGHTS AGREEMENT, AS AMENDED, AMONG THE COMPANY, THE STOCKHOLDER AND THE OTHER PARTIES THERETO, 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.

(c) 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; (y) in any transaction in which such Holder distributes Restricted Securities to an Affiliate of such Holder for no consideration or (z) in any internal transaction in which such Holder transfers Restricted Securities to an Affiliate of such Holder that is an entity and that is ultimately controlled by the same parent company as the Holder (or is the ultimate parent company of the Holder); provided that, with respect to transfers under the foregoing clauses (y) and (z), each 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 or pursuant to an effective registration statement, 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. Notwithstanding the foregoing, the Company shall be obligated to reissue promptly unlegended certificates or book entries at the request of any Holder thereof if the Company has completed its IPO and the Holder shall have obtained an opinion of counsel (which counsel may be counsel to the Company) to the effect that the securities proposed to be disposed of may lawfully be so disposed of without registration, qualification and legend, provided that the second legend listed above shall be removed only at such time as the Holder of such certificate is no longer subject to any restrictions hereunder."

4. Section 5.8 of the Agreement is hereby amended and restated to read in full as follows:

"CFIUS Matters. To the extent that the Company engages in the design, fabrication, development, testing, production or manufacture of critical technologies within the meaning of the Defense Production Act of 1950, as amended, including all implementing regulations thereof, whether because of a new categorization of technology by the U.S. government or otherwise, the Company shall promptly provide notice to (i) Omega Fund V, L.P. ("**Omega**"), (ii) Surveyor, (iii) Hillhouse and (iv) Nextech V Oncology S.C.S. SICA-SIF (the "**CFIUS Notice Parties**"). The Company covenants and agrees that it shall not grant access to any material non-public technical information (as defined in the DPA) to the CFIUS Notice Parties or any of their respective representatives."

5. Schedule A of the Agreement is hereby amended to add the investors listed on Exhibit A attached hereto (each such investor, a "**New Investor**"). Upon the execution of the counterpart signature page attached hereto as Exhibit B, each New Investor shall be deemed an "**Investor**," a "**Holder**" and a party solely for purposes of Section 2, Section 5.8 and Section 6 of the Agreement with respect to the Common Stock issued upon conversion of the Notes in connection with an Initial Public Offering (as defined in the Notes).

6. All other provisions of the Agreement shall remain in full force and effect.

7. This Amendment may be executed in any number of counterparts, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

8. This Amendment shall be construed in accordance with the laws of the State of Delaware, excluding conflicts of laws principles.

9. This Amendment and the Agreement and all exhibits hereto or thereto are intended to be the sole agreement of the parties as they relate to the subject matter hereof and thereof and do hereby supersede all other agreements of the parties relating to the subject matter hereof or thereof.

*[Signature pages follow]*

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**COMPANY:**

KRONOS BIO, INC.

By: /s/ Norbert W. Bischofberger  
Norbert W. Bischofberger, Ph.D., President and Chief  
Executive Officer

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

/s/ Aaron Kazam  
Aaron Kazam

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IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

/s/ Andrew Riley

Andrew Riley

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IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

Bonderman Family Limited Partnership

By: Bond Management GP, LLC, its general partner

Name /s/ Clive D. Bode

Printed Name: Clive D. Bode

Title: President



**IN WITNESS WHEREOF**, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

Brothies Equities LLC

By: /s/ Jeffery Mandel

Printed Name: Jeffery Mandel

Title: Mr

**IN WITNESS WHEREOF**, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

Blum, Steven and Kate (JTWROS)

By:           /s/ Steven Blum          

Printed Name:                           Steven Blum                          

Title:                   Trustee, Blum/Crosby Investment Trust of 2017

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

Chang 2006 Family Trust

By: /s/ David Chang

Printed Name: David Chang

Title: co-trustee

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

/s/ Christopher Wilfong

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Christopher Wilfong

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

/s/ Daniel Beldegrun

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Daniel Beldegrun

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

Daniel-BCT

By: /s/ Hanna Ackerman  
Printed Name: Hanna Ackerman  
Title: Trustee

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

/s/ David Freeman

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David Freeman

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

/s/ David Tanen

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David Tanen



IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

David Tanen Revocable Grantor Trust

By:           /s/ Gregory F. Kiernan            
Printed Name:   Gregory F. Kiernan    
Title:           Trustee

**IN WITNESS WHEREOF**, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

David Tanen Dynasty Trust (Jessica Collins Trustee)

By:                                 /s/ Jessica Collins                                

Printed Name:                                 Jessica Collins                                

Title:                                 Trustee

**IN WITNESS WHEREOF**, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

Dominick Fernando Mills Jr. and Christine Anne Cassiano Family Trust (dtd 2/25/15 restated 11/15/17)

By:	/s/ Dominick Mills	/s/ Christine Cassiano
Printed Name:	Dominick Mills	Christine Cassiano
Title:	Trustee	Trustee

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

Galiano Family Holdings, LLC

By:                     /s/ Paul Galiano                      
Printed Name:                                     Paul Galiano                                      
Title:                                     Managing member

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

/s/ Gregory F. Kiernan

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Gregory F. Kiernan

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

GV 2019, L.P.

By: GV 2019 GP, L.P., its General Partner

By: GV 2019 GP, L.L.C., its General Partner

By: /s/ Daphne Chang  
Daphne M. Chang, Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

Invus Public Equities, L.P.

By: /s/ Raymond Debbane  
Raymond Debbane, President of its  
General Partner

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

/s/ Jerry Speyer

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Jerry Speyer



IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

Joshua A Kazam Irrevocable Grantor Trust

By: /s/ Gregory F. Kiernan

Printed Name: Gregory F. Kiernan

Title: Trustee

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

/s/ Joshua Bradley

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Joshua Bradley

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

KB/V LLC

By: Kingsbrook Opportunities GP LLC, its Manager

By: /s/ Adam Chill  
Adam J. Chill, Managing Member



IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

LG Lange Trust III DTD 12/10/16

By: /s/ Lou Lange  
Lou Lange, Trustee

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IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

LS Polaris Innovation Fund, L.P.

By: LS Polaris Innovation Fund GP, L.L.C.,  
its General Partner

By: /s/ Lauren Crockett

Printed Name: Lauren Crockett

Title: Attorney-in-fact

Address: \_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

/s/ Marius Pop

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Marius Pop



IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

/s/ Mia Funt

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Mia Funt

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

Mia-BCT

By: /s/ Hanna Ackerman  
\_\_\_\_\_

Printed Name: Hanna Ackerman  
\_\_\_\_\_

Title: Trustee  
\_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

Nextech V Oncology S.C.S., SICVAF-SIF

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By: /s/ Philippe Detournay /s/ Dalia Bleier

Name:

Philippe Detournay

Dalia Bleier

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Title:

Manager

Manager

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IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

Norbert W & Inger A Bischofberger  
Revocable Inter Vivos Trust, dtd August 29, 1994

By: /s/ Norbert Bischofberger

Printed Name: Norbert Bischofberger

Title: President and CEO



IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

**Omega Fund V, L.P.**

By: Omega Fund V GP, L.P., its General Partner

By: Omega Fund V GP Manager, Ltd., its General Partner

By: /s/ Anne-Mari Paster

Printed Name:

\_\_\_\_\_  
Anne-Mari Paster

Title:

\_\_\_\_\_  
Director

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

/s/ Owen Witte

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Owen Witte



IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

/s/ Philip Gutry

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Philip Gutry

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

PERCEPTIVE LIFE SCIENCES MASTER  
FUND, LTD.

By: Perceptive Advisors, LLC

By: /s/ James H. Mannix  
James H. Mannix

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

Polaris Entrepreneurs' Fund VIII, L.P.

By: Polaris Partners GP VIII, L.L.C.  
its General Partner

By: /s/ Lauren Crockett \_\_\_\_\_

Printed Name: Lauren Crockett \_\_\_\_\_

Title: Attorney-in-fact \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

PZS-Benjamin GCT

By: /s/ Hanna Ackerman  
Printed Name: Hanna Ackerman  
Title: Trustee

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

PZS-Benjamin GCT

By: /s/ Hanna Ackerman  
Printed Name: Hanna Ackerman  
Title: Trustee

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

/s/ Ron Beldegrun

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Ron Beldegrun

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

/s/ Robert Speyer

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Robert Speyer

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

Ron-BCT

By: /s/ Hanna Ackerman

Printed Name: Hanna Ackerman

Title: Trustee



IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

Seaview Trust

By: /s/ Hanna Ackerman  
Printed Name: Hanna Ackerman  
Title: Trustee

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

Sonostar Ventures, LLC

By: /s/ Gregory F. Kiernan

Printed Name: Gregory F. Kiernan

Title: President and CEO

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

/s/ Tatiana Kedel

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Tatiana Kedel

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

Vecchia Partners, Ltd.

By: /s/ Rebecka Belldegrun

Printed Name:

Rebecka Belldegrun

Title:

President and CEO

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

/s/ Veer Bhavnagri

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Veer Bhavnagri

IN WITNESS WHEREOF, the parties have executed this Amendment to Amended and Restated Investors' Rights Agreement to be effective as of the date first above written.

**INVESTORS:**

Vida Ventures, LLC

By: /s/ Jean-Philippe Kouakou-Zebouah

Printed Name:

Jean-Philippe Kouakou-Zebouah

Title:

CFO & COO

## EXHIBIT A

### Investors

American Funds Insurance Series - Global Small Capitalization Fund  
(Cap Group)  
SMALLCAP World Fund, Inc. (Cap Group)  
Fidelity Growth Company Commingled Pool  
Fidelity Mt. Vernon Street Trust : Fidelity Growth Company K6 Fund  
Fidelity Mt. Vernon Street Trust: Fidelity Growth Company Fund  
Fidelity Mt. Vernon Street Trust: Fidelity Series Growth Company Fund  
Fidelity Select Portfolios: Biotechnology Portfolio  
T. ROWE PRICE NEW HORIZONS FUND, INC.  
T. ROWE PRICE NEW HORIZONS TRUST  
T. ROWE PRICE U.S. EQUITIES TRUST  
MASSMUTUAL SELECT FUNDS - MASSMUTUAL SELECT T. ROWE PRICE  
SMALL AND MID CAP BLEND FUND  
T. ROWE PRICE HEALTH SCIENCES FUND, INC.  
TD MUTUAL FUNDS - TD HEALTH SCIENCES FUND  
VALIC COMPANY I - HEALTH SCIENCES FUND  
T ROWE PRICE HEALTH SCIENCES PORTFOLIO  
BLACKROCK HEALTH SCIENCES MASTER UNIT TRUST  
BlackRock Health Sciences Opportunities Portfolio, a Series of BlackRock  
Funds  
BLACKROCK HEALTH SCIENCES TRUST  
BLACKROCK HEALTH SCIENCES TRUST II  
CASDIN PARTNERS MASTER FUND, L.P.  
(1 of 2)  
CASDIN PARTNERS MASTER FUND, L.P.  
(2 of 2)  
SUM XII Holdings Limited  
(Hillhouse)  
CITADEL MULTI-STRATEGY EQUITIES MASTER FUND LTD.  
(Surveyor)  
Woodline Master Fund LP  
EcoR1 Capital Fund Qualified, L.P.  
EcoR1 Capital Fund, L.P.  
EcoR1 Venture Opportunity Fund, L.P.  
COMMODORE CAPITAL MASTER LP  
GC&H Investments, LLC  
(Cooley)  
Avis Bohlen  
Beth E. Dozoretz  
Daniel D'Orazi

Emanuel Bischofberger  
Eric Schmidt  
Hanna Ackerman  
James Economou, M.D.  
SITOMER LLC  
Lesley Chao  
Peter Sisitsky  
PZS Ron-GCT  
Ran Nussbaum  
Timothy Stoll  
2006 Todd B. Sisitsky and Hooly R. Hagens Revocable Trust  
Tomer Kariv  
TwoPals, INC.LLC



**EXHIBIT B**  
**COUNTERPART SIGNATURE PAGE TO**  
**KRONOS BIO, INC.**  
**AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

The undersigned is a holder of a convertible promissory note (the "**Note**") of Kronos Bio, Inc. (the "**Company**") issued pursuant to that certain Note Purchase Agreement, dated August 20, 2020, by and among the Company and the purchasers listed on Exhibit A thereto.

The undersigned hereby agrees to be bound by the terms and conditions contained in the Amended and Restated Investors' Rights Agreement, dated July 1, 2019, as amended from time to time, by and among the Company and the investors listed on Schedule A thereto, a copy of which is attached hereto as **Exhibit A** (the "**Investors' Rights Agreement**"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Investors' Rights Agreement.

Upon the execution this counterpart signature page, the undersigned shall be deemed an "Investor," a "Holder" and a party solely for purposes of Section 2, Section 5.8 and Section 6 of the Investors' Rights Agreement with respect to the any Common Stock issued upon conversion of the Note in connection with an Initial Public Offering (as defined in the Note).

Dated: August 20, 2020

**INVESTOR**

American Funds Insurance Series - Global  
Small Capitalization Fund

By: Capital Research and Management  
Company, for and on behalf of  
American Funds Insurance Series –  
Global Small Capitalization Fund

By: /s/ Walter R. Burkley

Printed Name: Walter R. Burkley

Title: Authorized Signatory

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

The undersigned is a holder of a convertible promissory note (the "**Note**") of Kronos Bio, Inc. (the "**Company**") issued pursuant to that certain Note Purchase Agreement, dated August 20, 2020, by and among the Company and the purchasers listed on Exhibit A thereto.

The undersigned hereby agrees to be bound by the terms and conditions contained in the Amended and Restated Investors' Rights Agreement, dated July 1, 2019, as amended from time to time, by and among the Company and the investors listed on Schedule A thereto, a copy of which is attached hereto as **Exhibit A** (the "**Investors' Rights Agreement**"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Investors' Rights Agreement.

Upon the execution this counterpart signature page, the undersigned shall be deemed an "Investor," a "Holder" and a party solely for purposes of Section 2, Section 5.8 and Section 6 of the Investors' Rights Agreement with respect to the any Common Stock issued upon conversion of the Note in connection with an Initial Public Offering (as defined in the Note).

Dated: August 20, 2020

**INVESTOR**

SMALLCAP World Fund, Inc.

By: Capital Research and Management  
Company, for and on behalf of  
SMALLCAP World Fund, Inc.

By: /s/ Walter R. Burkley \_\_\_\_\_

Printed Name: Walter R. Burkley

Title: Authorized Signatory

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

The undersigned is a holder of a convertible promissory note (the "**Note**") of Kronos Bio, Inc. (the "**Company**") issued pursuant to that certain Note Purchase Agreement, dated August 20, 2020, by and among the Company and the purchasers listed on Exhibit A thereto.

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Dated: August 20, 2020

**INVESTOR**

Fidelity Growth Company Commingled Pool

By: Fidelity Management Trust Company, its  
Trustee

By: /s/ Christopher Maher

Printed Name: Christopher Maher

Title: Authorized Signatory

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

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Dated: August 20, 2020

**INVESTOR**

Fidelity Mt. Vernon Street Trust : Fidelity  
Growth Company K6 Fund

By: /s/ Christopher Maher

Printed Name: Christopher Maher

Title: Authorized Signatory

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

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Dated: August 20, 2020

**INVESTOR**

Fidelity Mt. Vernon Street Trust : Fidelity  
Growth Company Fund

By: /s/ Christopher Maher

Printed Name: Christopher Maher

Title: Authorized Signatory

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

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Dated: August 20, 2020

**INVESTOR**

Fidelity Mt. Vernon Street Trust: Fidelity Series Growth Company Fund

By: /s/ Christopher Maher

Printed Name: Christopher Maher

Title: Authorized Signatory

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

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Dated: August 20, 2020

**INVESTOR**

Fidelity Select Portfolios: Biotechnology  
Portfolio

By: /s/ Christopher Maher

Printed Name: Christopher Maher

Title: Authorized Signatory

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

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Dated: August 20, 2020

**INVESTOR**

T. ROWE PRICE NEW HORIZONS FUND, INC  
T. ROWE PRICE NEW HORIZONS TRUST  
T. ROWE PRICE U.S. EQUITIES TRUST  
MASSMUTUAL SELECT FUNDS -  
MASSMUTUAL SELECT T. ROWE PRICE  
SMALL AND MID CAP BLEND FUND

By: Each account, severally and not jointly

By: T. Rowe Price Associates, Inc., its  
Investment Adviser or Subadviser, as  
applicable

By: /s/ Andrew Baek  
\_\_\_\_\_  
Andrew Baek, Vice President, Senior Legal  
applicable



**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

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Dated: August 20, 2020

**INVESTOR**

T. ROWE PRICE HEALTH SCIENCES FUND, INC.  
TD MUTUAL FUNDS - TD HEALTH SCIENCES FUND  
VALIC COMPANY 1 - HEALTH SCIENCES FUND  
T. ROWE PRICE HEALTH SCIENCES PORTFOLIO

By: Each account, severally and not jointly

By: T. Rowe Price Associates, Inc., its  
Investment Adviser or Subadviser, as  
applicable

By: /s/ Andrew Baek  
\_\_\_\_\_  
Andrew Baek, Vice President, Senior Legal  
Counsel

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

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Dated: August 20, 2020

**INVESTOR**

BLACKROCK HEALTH SCIENCES  
MASTER UNIT TRUST

By: BlackRock Capital Management, Inc, its  
Investment Adviser

By: /s/ Hongying Erin Xie

Printed Name: Hongying Erin Xie

Title: Managing Director

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

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Dated: August 20, 2020

**INVESTOR**

BlackRock Health Sciences Opportunities  
Portfolio, a Series of BlackRock Funds

By: BlackRock Advisors, LLC, its Investment  
Adviser

By: /s/ Hongying Erin Xie

Printed Name: Hongying Erin Xie

Title: Managing Director

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

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Dated: August 20, 2020

**INVESTOR**

BLACKROCK HEALTH SCIENCES TRUST

By: BlackRock Advisors, LLC, its Investment  
Adviser

By: /s/ Hongying Erin Xie

Printed Name: Hongying Erin Xie

Title: Managing Director

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

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Dated: August 20, 2020

**INVESTOR**

BLACKROCK HEALTH SCIENCES TRUST  
II

By: BlackRock Advisors, LLC, its Investment  
Adviser

By: /s/ Hongying Erin Xie

Printed Name: Hongying Erin Xie

Title: Managing Director

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
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Dated: August 20, 2020

**INVESTOR**

CASDIN PARTNERS MASTER FUND, L.P.

By: Casdin Partners GP, LLC, its General  
Partner

By: /s/ Kevin O'Brien  
Kevin O'Brien, General Counsel

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Dated: August 20, 2020

**INVESTOR**

CASDIN VENTURE OPPORTUNITIES  
FUND, L.P  
FUND, L.P

By: Casdin Venture Opportunities Fund GP,  
LLC, its General Partner

By: /s/ Kevin O'Brien  
Kevin O'Brien, General Counsel

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Dated: August 20, 2020

**INVESTOR**

SUM XII Holdings Limited

By: /s/ Colm O'Connell

Colm O'Connell, Authorized Signatory



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Dated: August 20, 2020

**INVESTOR**

CITADEL MULTI-STRATEGY EQUITIES  
MASTER FUND LTD.

By: Citadel Advisors LLC, its portfolio manager

By: /s/ Shellane Mulcahy

Printed Name: Shellane Mulcahy

Title: Authorized Signatory

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
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Dated: August 20, 2020

**INVESTOR**

EcoR1 Capital Fund Qualified, L.P.

By: EcoR1 Capital, LLC, its General Partner

By: /s/ Oleg Nodelman

\_\_\_\_\_  
Oleg Nodelman, Manager

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

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Dated: August 20, 2020

**INVESTOR**

EcoR1 Capital Fund, L.P.

By: EcoR1 Capital, LLC, its General Partner

By: /s/ Oleg Nodelman

\_\_\_\_\_  
Oleg Nodelman, Manager

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Dated: August 20, 2020

**INVESTOR**

EcoR1 Venture Opportunity Fund, L.P.

By: Biotech Opportunity GP, LLC, its General  
Partner

By: /s/ Oleg Nodelman  
\_\_\_\_\_  
Oleg Nodelman, Manager

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
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Dated: August 20, 2020

**INVESTOR**

COMMODORE CAPITAL MASTER LP

By: /s/ Michael Kramarz

\_\_\_\_\_  
Michael Kramarz, MD, Authorized  
Signatory

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Dated: August 20, 2020

**INVESTOR**

GC&H Investments, LLC

By: /s/ Jim Kindler

Jim Kindler, Manager

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
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Dated: August 20, 2020

**INVESTOR:**

/s/ Avis Bohlen

\_\_\_\_\_

Avis Bohlen

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Dated: August 20, 2020

**INVESTOR:**

/s/ Beth E. Dozoretz

\_\_\_\_\_  
Beth E. Dozoretz



**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

The undersigned is a holder of a convertible promissory note (the "**Note**") of Kronos Bio, Inc. (the "**Company**") issued pursuant to that certain Note Purchase Agreement, dated August 20, 2020, by and among the Company and the purchasers listed on Exhibit A thereto.

The undersigned hereby agrees to be bound by the terms and conditions contained in the Amended and Restated Investors' Rights Agreement, dated July 1, 2019, as amended from time to time, by and among the Company and the investors listed on Schedule A thereto, a copy of which is attached hereto as **Exhibit A** (the "**Investors' Rights Agreement**"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Investors' Rights Agreement.

Upon the execution this counterpart signature page, the undersigned shall be deemed an "Investor," a "Holder" and a party solely for purposes of Section 2, Section 5.8 and Section 6 of the Investors' Rights Agreement with respect to the any Common Stock issued upon conversion of the Note in connection with an Initial Public Offering (as defined in the Note).

Dated: August 20, 2020

**INVESTOR:**

/s/ Daniel D'Orazi

Daniel D'Orazi

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

The undersigned is a holder of a convertible promissory note (the "**Note**") of Kronos Bio, Inc. (the "**Company**") issued pursuant to that certain Note Purchase Agreement, dated August 20, 2020, by and among the Company and the purchasers listed on Exhibit A thereto.

The undersigned hereby agrees to be bound by the terms and conditions contained in the Amended and Restated Investors' Rights Agreement, dated July 1, 2019, as amended from time to time, by and among the Company and the investors listed on Schedule A thereto, a copy of which is attached hereto as **Exhibit A** (the "**Investors' Rights Agreement**"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Investors' Rights Agreement.

Upon the execution this counterpart signature page, the undersigned shall be deemed an "Investor," a "Holder" and a party solely for purposes of Section 2, Section 5.8 and Section 6 of the Investors' Rights Agreement with respect to the any Common Stock issued upon conversion of the Note in connection with an Initial Public Offering (as defined in the Note).

Dated: August 20, 2020

**INVESTOR:**

/s/ Emanuel Bischofberger

\_\_\_\_\_   
Emanuel Bischofberger

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

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The undersigned hereby agrees to be bound by the terms and conditions contained in the Amended and Restated Investors' Rights Agreement, dated July 1, 2019, as amended from time to time, by and among the Company and the investors listed on Schedule A thereto, a copy of which is attached hereto as **Exhibit A** (the "**Investors' Rights Agreement**"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Investors' Rights Agreement.

Upon the execution this counterpart signature page, the undersigned shall be deemed an "Investor," a "Holder" and a party solely for purposes of Section 2, Section 5.8 and Section 6 of the Investors' Rights Agreement with respect to the any Common Stock issued upon conversion of the Note in connection with an Initial Public Offering (as defined in the Note).

Dated: August 20, 2020

**INVESTOR:**

/s/ Hanna Ackerman

\_\_\_\_\_  
Hanna Ackerman

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

The undersigned is a holder of a convertible promissory note (the "**Note**") of Kronos Bio, Inc. (the "**Company**") issued pursuant to that certain Note Purchase Agreement, dated August 20, 2020, by and among the Company and the purchasers listed on Exhibit A thereto.

The undersigned hereby agrees to be bound by the terms and conditions contained in the Amended and Restated Investors' Rights Agreement, dated July 1, 2019, as amended from time to time, by and among the Company and the investors listed on Schedule A thereto, a copy of which is attached hereto as **Exhibit A** (the "**Investors' Rights Agreement**"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Investors' Rights Agreement.

Upon the execution this counterpart signature page, the undersigned shall be deemed an "Investor," a "Holder" and a party solely for purposes of Section 2, Section 5.8 and Section 6 of the Investors' Rights Agreement with respect to the any Common Stock issued upon conversion of the Note in connection with an Initial Public Offering (as defined in the Note).

Dated: August 20, 2020

**INVESTOR:**

s/ James Economou, M.D

\_\_\_\_\_

James Economou, M.D.

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

The undersigned is a holder of a convertible promissory note (the "**Note**") of Kronos Bio, Inc. (the "**Company**") issued pursuant to that certain Note Purchase Agreement, dated August 20, 2020, by and among the Company and the purchasers listed on Exhibit A thereto.

The undersigned hereby agrees to be bound by the terms and conditions contained in the Amended and Restated Investors' Rights Agreement, dated July 1, 2019, as amended from time to time, by and among the Company and the investors listed on Schedule A thereto, a copy of which is attached hereto as **Exhibit A** (the "**Investors' Rights Agreement**"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Investors' Rights Agreement.

Upon the execution this counterpart signature page, the undersigned shall be deemed an "Investor," a "Holder" and a party solely for purposes of Section 2, Section 5.8 and Section 6 of the Investors' Rights Agreement with respect to the any Common Stock issued upon conversion of the Note in connection with an Initial Public Offering (as defined in the Note).

Dated: August 20, 2020

**INVESTOR**

SITOMER LLC

By:           /s/ Harry Sitomer            
          Harry Sitomer

COUNTERPART SIGNATURE PAGE TO

KRONOS BIO, INC.

AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

The undersigned is a holder of a convertible promissory note (the "*Note*") of Kronos Bio, Inc. (the "*Company*") issued pursuant to that certain Note Purchase Agreement, dated August 20, 2020, by and among the Company and the purchasers listed on Exhibit A thereto.

The undersigned hereby agrees to be bound by the terms and conditions contained in the Amended and Restated Investors' Rights Agreement, dated July 1, 2019, as amended from time to time, by and among the Company and the investors listed on Schedule A thereto, a copy of which is attached hereto as Exhibit A (the "*Investors' Rights Agreement*"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Investors' Rights Agreement.

Upon the execution this counterpart signature page, the undersigned shall be deemed an "Investor," a "Holder" and a party solely for purposes of Section 2, Section 5.8 and Section 6 of the Investors' Rights Agreement with respect to the any Common Stock issued upon conversion of the Note in connection with an Initial Public Offering (as defined in the Note).

Dated: August 20, 2020

INVESTOR:

s/ Lesley Hao

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Lesley Hao

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

The undersigned is a holder of a convertible promissory note (the "**Note**") of Kronos Bio, Inc. (the "**Company**") issued pursuant to that certain Note Purchase Agreement, dated August 20, 2020, by and among the Company and the purchasers listed on Exhibit A thereto.

The undersigned hereby agrees to be bound by the terms and conditions contained in the Amended and Restated Investors' Rights Agreement, dated July 1, 2019, as amended from time to time, by and among the Company and the investors listed on Schedule A thereto, a copy of which is attached hereto as **Exhibit A** (the "**Investors' Rights Agreement**"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Investors' Rights Agreement.

Upon the execution this counterpart signature page, the undersigned shall be deemed an "Investor," a "Holder" and a party solely for purposes of Section 2, Section 5.8 and Section 6 of the Investors' Rights Agreement with respect to the any Common Stock issued upon conversion of the Note in connection with an Initial Public Offering (as defined in the Note).

Dated: August 20, 2020

**INVESTOR:**

/s/ Peter Sisitsky

\_\_\_\_\_  
Peter Sisitsky

COUNTERPART SIGNATURE PAGE TO

KRONOS BIO, INC.

AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

The undersigned is a holder of a convertible promissory note (the "*Note*") of Kronos Bio, Inc. (the "*Company*") issued pursuant to that certain Note Purchase Agreement, dated August 20, 2020, by and among the Company and the purchasers listed on Exhibit A thereto.

The undersigned hereby agrees to be bound by the terms and conditions contained in the Amended and Restated Investors' Rights Agreement, dated July 1, 2019, as amended from time to time, by and among the Company and the investors listed on Schedule A thereto, a copy of which is attached hereto as Exhibit A (the "*Investors' Rights Agreement*"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Investors' Rights Agreement.

Upon the execution this counterpart signature page, the undersigned shall be deemed an "Investor," a "Holder" and a party solely for purposes of Section 2, Section 5.8 and Section 6 of the Investors' Rights Agreement with respect to the any Common Stock issued upon conversion of the Note in connection with an Initial Public Offering (as defined in the Note).

Dated: August 20, 2020

INVESTOR

PZS Ron-GCT

By: /s/ Hanna Ackerman

Printed Name: Hanna Ackerman

Title: Trustee



**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

The undersigned is a holder of a convertible promissory note (the "**Note**") of Kronos Bio, Inc. (the "**Company**") issued pursuant to that certain Note Purchase Agreement, dated August 20, 2020, by and among the Company and the purchasers listed on Exhibit A thereto.

The undersigned hereby agrees to be bound by the terms and conditions contained in the Amended and Restated Investors' Rights Agreement, dated July 1, 2019, as amended from time to time, by and among the Company and the investors listed on Schedule A thereto, a copy of which is attached hereto as **Exhibit A** (the "**Investors' Rights Agreement**"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Investors' Rights Agreement.

Upon the execution this counterpart signature page, the undersigned shall be deemed an "Investor," a "Holder" and a party solely for purposes of Section 2, Section 5.8 and Section 6 of the Investors' Rights Agreement with respect to the any Common Stock issued upon conversion of the Note in connection with an Initial Public Offering (as defined in the Note).

Dated: August 20, 2020

**INVESTOR:**

/s/ Ran Nussbau  
Ran Nussbau

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**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

The undersigned is a holder of a convertible promissory note (the "**Note**") of Kronos Bio, Inc. (the "**Company**") issued pursuant to that certain Note Purchase Agreement, dated August 20, 2020, by and among the Company and the purchasers listed on Exhibit A thereto.

The undersigned hereby agrees to be bound by the terms and conditions contained in the Amended and Restated Investors' Rights Agreement, dated July 1, 2019, as amended from time to time, by and among the Company and the investors listed on Schedule A thereto, a copy of which is attached hereto as **Exhibit A** (the "**Investors' Rights Agreement**"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Investors' Rights Agreement.

Upon the execution this counterpart signature page, the undersigned shall be deemed an "Investor," a "Holder" and a party solely for purposes of Section 2, Section 5.8 and Section 6 of the Investors' Rights Agreement with respect to the any Common Stock issued upon conversion of the Note in connection with an Initial Public Offering (as defined in the Note).

Dated: August 20, 2020

**INVESTOR:**

s/ Timothy Stoll  
\_\_\_\_\_  
Timothy Stoll

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
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The undersigned is a holder of a convertible promissory note (the "**Note**") of Kronos Bio, Inc. (the "**Company**") issued pursuant to that certain Note Purchase Agreement, dated August 20, 2020, by and among the Company and the purchasers listed on Exhibit A thereto.

The undersigned hereby agrees to be bound by the terms and conditions contained in the Amended and Restated Investors' Rights Agreement, dated July 1, 2019, as amended from time to time, by and among the Company and the investors listed on Schedule A thereto, a copy of which is attached hereto as **Exhibit A** (the "**Investors' Rights Agreement**"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Investors' Rights Agreement.

Upon the execution this counterpart signature page, the undersigned shall be deemed an "Investor," a "Holder" and a party solely for purposes of Section 2, Section 5.8 and Section 6 of the Investors' Rights Agreement with respect to the any Common Stock issued upon conversion of the Note in connection with an Initial Public Offering (as defined in the Note).

Dated: August 20, 2020

**INVESTOR**

2006 Todd B. Sisitsky and Holly R. Hagens  
Revocable Trust

By: /s/ Todd Sisitsky  
Todd Sisitsky

Title: Trustee

By: /s/ Holly Hagens  
Holly Hagens

Title: Trustee

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

The undersigned is a holder of a convertible promissory note (the "**Note**") of Kronos Bio, Inc. (the "**Company**") issued pursuant to that certain Note Purchase Agreement, dated August 20, 2020, by and among the Company and the purchasers listed on Exhibit A thereto.

The undersigned hereby agrees to be bound by the terms and conditions contained in the Amended and Restated Investors' Rights Agreement, dated July 1, 2019, as amended from time to time, by and among the Company and the investors listed on Schedule A thereto, a copy of which is attached hereto as **Exhibit A** (the "**Investors' Rights Agreement**"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Investors' Rights Agreement.

Upon the execution this counterpart signature page, the undersigned shall be deemed an "Investor," a "Holder" and a party solely for purposes of Section 2, Section 5.8 and Section 6 of the Investors' Rights Agreement with respect to the any Common Stock issued upon conversion of the Note in connection with an Initial Public Offering (as defined in the Note).

Dated: August 20, 2020

**INVESTOR:**

s/ Tomer Kariv

\_\_\_\_\_  
Tomer Kariv

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

The undersigned is a holder of a convertible promissory note (the "**Note**") of Kronos Bio, Inc. (the "**Company**") issued pursuant to that certain Note Purchase Agreement, dated August 20, 2020, by and among the Company and the purchasers listed on Exhibit A thereto.

The undersigned hereby agrees to be bound by the terms and conditions contained in the Amended and Restated Investors' Rights Agreement, dated July 1, 2019, as amended from time to time, by and among the Company and the investors listed on Schedule A thereto, a copy of which is attached hereto as **Exhibit A** (the "**Investors' Rights Agreement**"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Investors' Rights Agreement.

Upon the execution this counterpart signature page, the undersigned shall be deemed an "Investor," a "Holder" and a party solely for purposes of Section 2, Section 5.8 and Section 6 of the Investors' Rights Agreement with respect to the any Common Stock issued upon conversion of the Note in connection with an Initial Public Offering (as defined in the Note).

Dated: August 20, 2020

**INVESTOR**

TwoPals, LLC

By: /s/ Alexander H. Shashou

\_\_\_\_\_  
Alexander H. Shashou, Member

**COUNTERPART SIGNATURE PAGE TO  
KRONOS BIO, INC.  
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

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The undersigned hereby agrees to be bound by the terms and conditions contained in the Amended and Restated Investors' Rights Agreement, dated July 1, 2019, as amended from time to time, by and among the Company and the investors listed on Schedule A thereto, a copy of which is attached hereto as **Exhibit A** (the "**Investors' Rights Agreement**"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Investors' Rights Agreement.

Upon the execution this counterpart signature page, the undersigned shall be deemed an "Investor," a "Holder" and a party solely for purposes of Section 2, Section 5.8 and Section 6 of the Investors' Rights Agreement with respect to the any Common Stock issued upon conversion of the Note in connection with an Initial Public Offering (as defined in the Note).

Dated: August 20, 2020

**INVESTOR**

Woodline Master Fund LP

By: Woodline Fund GP LLC, its General Partner

By: /s/ Matthew Hooker

\_\_\_\_\_  
Matthew Hooker, Managing Member

**EXHIBIT A**

**INVESTORS' RIGHTS AGREEMENT**

KRONOS BIO, INC.

AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this "**Agreement**"), is made as of July 1, 2019, by and among Kronos Bio, Inc., a Delaware corporation (the "**Company**"), the holders of the Company's Series Seed Preferred Stock, par value \$0.001 per share (the "**Series Seed Preferred Stock**"), listed on Schedule A hereto (the "**Series Seed Holders**"), and the holders of the Company's Series A Preferred Stock, par value \$0.001 per share (the "**Series A Preferred Stock**," and together with the Series Seed Preferred Stock, the "**Preferred Stock**"), listed on Schedule A hereto (the "**Series A Holders**," and together with the Series Seed Holders, the "**Investors**") and any Additional Purchaser (as defined in the Purchase Agreement) that becomes a party to this Agreement in accordance with Section 6.9 hereof.

RECITALS

**WHEREAS**, the Company and the Series Seed Holders are parties to that certain Investors' Rights Agreement dated as of May 22, 2018 (the "**Prior Agreement**");

**WHEREAS**, in accordance with Section 6.6 of the Prior Agreement, amendment of the Prior Agreement requires the written consent of the Company and the holders of at least sixty percent (60%) of the Registrable Securities (as defined in the Prior Agreement) then outstanding;

**WHEREAS**, the Company and the Series A Holders are parties to the Series A Preferred Stock Purchase Agreement of even date herewith (the "**Purchase Agreement**"); and **WHEREAS**, the Company and the undersigned Series Seed Holders desire to amend and restate the Prior Agreement in accordance with Section 6.6 thereof in order to induce the Series A Holders to invest funds in the Company pursuant to the Purchase Agreement, and the Investors and the Company hereby agree that this Agreement shall govern the rights of the Investors to cause the Company to register shares of Common Stock 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.

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 now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company with, such Person. For the avoidance of doubt, Polaris Growth Fund I, L.P. and its respective Affiliates shall each be deemed to be an Affiliate of LS Polaris Innovation Fund, L.P., Polaris Partners VIII, L.P. and Polaris Entrepreneurs' Fund VIII, L.P.



1.2 “**Common Stock**” means shares of the Company’s common stock, par value \$0.001 per share.

1.3 “**Competitor**” means a Person engaged, directly or indirectly (including through any partnership, limited liability company, corporation, joint venture or similar arrangement (whether now existing or formed hereafter)), in the business of discovering and developing cancer therapies, including the screening of chemical libraries to identify binders or inhibitors of complex protein interactions, but shall not include (a) any financial investment firm or collective investment vehicle that, together with its Affiliates, holds less than twenty percent (20)% of the outstanding equity of any Competitor and does not, nor do any of its Affiliates, have a right to designate any members of the Board of Directors of any Competitor, (b) Two River Consulting, LLC (including its partners, officers and Affiliates), (c) Vida Ventures, LLC and its Affiliates, (d) GV 2019, L.P. and its Affiliates, (e) LS Polaris Innovation Fund, L.P., Polaris Partners VIII, L.P. and Polaris Entrepreneurs’ Fund VIII, L.P. (including their respective partners, officers, investment firms, investment vehicles, and Affiliates), (f) Bonderman Family Limited Partnership and its Affiliates, (g) Artal Treasury Ltd. and its Affiliates, (h) any then current officer or director of the Company, or (i) any other Person that the Board determines, in its sole discretion, shall not be deemed to be a Competitor for purposes of this Agreement.

1.4 “**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.

1.5 “**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.

1.6 “**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.7 “**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.

1.8 **“FOIA Party”** means a Person that, in the reasonable determination of the Board of Directors of the Company (the **“Board”**), may be subject to, and thereby required to disclose non-public information furnished by or relating to the Company under, the Freedom of Information Act, 5 U.S.C. 552 (**“FOIA”**), any state public records access law, any state or other jurisdiction’s laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement.

1.9 **“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.

1.10 **“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.

1.11 **“GAAP”** means generally accepted accounting principles in the United States.

1.12 **“Holder”** means any holder of Registrable Securities who is a party to this Agreement.

1.13 **“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.

1.14 **“Initiating Holders”** means, collectively, Holders who properly initiate a registration request under this Agreement.

1.15 **“IPO”** means the Company’s first underwritten public offering of its Common Stock under the Securities Act.

1.16 **“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).

1.17 **“Major Investor”** means an Investor holding at least one million (1,000,000) shares of Preferred Stock (or Common Stock issued upon conversion of Preferred Stock).

1.18 **“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.

1.19 “**Person**” means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.20 “**Preferred Director**” means each of the Series A Directors and the Series Seed Directors.

1.21 “**Preferred Stock**” means, collectively, shares of the Company’s Series Seed Preferred Stock and Series A Preferred Stock.

1.22 “**Qualified IPO**” means the closing of a public offering of shares of Common Stock that would result in an automatic conversion of the Preferred Stock pursuant to Section 5.1 of Article Fourth of the Restated Certificate.

1.23 “**Registrable Securities**” means (i) the Common Stock issuable or issued upon conversion of the Preferred Stock; and (ii) 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 clause (i) 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.

1.24 “**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.

1.25 “**Restated Certificate**” means the Company’s third amended and restated certificate of incorporation filed with the Secretary of State of Delaware on or about the date hereof, as may be amended and/or restated from time to time.

1.26 “**Restricted Securities**” means the securities of the Company required to be notated with the legend set forth in Subsection 2.12(b) hereof.

1.27 “**SEC**” means the Securities and Exchange Commission.

1.28 “**SEC Rule 144**” means Rule 144 promulgated by the SEC under the Securities Act.

1.29 “**SEC Rule 145**” means Rule 145 promulgated by the SEC under the Securities Act.

1.30 “**Securities Act**” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.31 “**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.

1.32 “**Series A Preferred Stock**” means shares of the Company’s Series A Preferred Stock, par value \$0.001 per share.

1.33 “**Series A Directors**” means any directors of the Company that the holders of record of the Series A Preferred Stock are entitled to elect pursuant to the Restated Certificate.

1.34 “**Series Seed Directors**” means any directors of the Company that the holders of record of the Series Seed Preferred Stock are entitled to elect pursuant to the Restated Certificate.

1.35 “**Series Seed Preferred Stock**” means shares of the Company’s Series Seed Preferred Stock, par value \$0.001 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 one hundred eighty (180) days after the effective date of the registration statement for the IPO, the Company receives a request from Holders of at least sixty percent (60%) of the Registrable Securities then outstanding that the Company file a Form S-1 registration statement with respect to the Registrable Securities then outstanding with an anticipated aggregate offering price, net of Selling Expenses, of at least \$15 million, 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 \$3 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 Board 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 one hundred twenty (120) 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 one hundred twenty (120) day period other than an Excluded Registration.

(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 (2) 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 (2) 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 Common Stock 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 by up to an additional 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 \$10,000, 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 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 the Holders of a majority of the Registrable Securities 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 and accountants 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); (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company; and (iii) 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 Holders of sixty-seven percent (67%) of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that (i) would 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 commencing on the date of the final prospectus relating to the registration by the Company of shares of its Common Stock or any other equity securities under the Securities Act on a registration statement on Form S-1 or Form S-3, and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days in the case of the IPO, plus up to eighteen (18) additional days as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports, and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto), (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 (whether such shares or any such securities are then owned by the Holder or are thereafter acquired) 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 five percent (5%) 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. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply pro rata to all Holders subject to such agreements, based on the number of shares subject to such agreements.

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.

(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, AS AMENDED. SUCH SECURITIES 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 INVESTORS' RIGHTS AGREEMENT, AS AMENDED, AMONG THE COMPANY, THE STOCKHOLDER AND THE OTHER PARTIES THERETO, 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.

(c) 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, 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 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 Restated Certificate;
- (b) following the date on which the Company is subject to the periodic reporting requirements under Section 13 or 15(d) of the Exchange Act, such time as SEC 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; or
- (c) the fifth 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 has not reasonably determined that such Major Investor is a Competitor:

(a) as soon as practicable, but in any event within one hundred twenty (120) days after the end of each fiscal year of the Company (i) a balance sheet as of the end of such fiscal year, (ii) statements of income and of cash flows for such fiscal year, and (iii) a statement of stockholders' equity as of the end of such fiscal year; all such financial statements will be prepared in accordance with GAAP, and may be audited or unaudited as determined by the Board;

(b) as soon as practicable, 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, but in any event 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 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

(d) within thirty (30) days following a request by the Major Investor, (i) an unaudited income statement for a given 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 (x) be subject to normal year-end audit adjustments and (y) not contain all notes thereto that may be required in accordance with GAAP), and (ii) a summary capitalization table as of a given month that will enable such Major Investor to determine its percentage ownership in the Company's outstanding capital stock.

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 sixty (60) 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 Investor (provided that the Board has not reasonably determined that such Investor is a Competitor), at such 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 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 Termination of Information. The covenants set forth in Subsection 3.1 and Subsection 3.2 shall terminate and be of no further force or effect upon the earliest to occur of: (i) immediately before the consummation of the IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon a Deemed Liquidation Event, as such term is defined in the Restated Certificate.

3.4 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 Subsection 3.4 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 3.4; (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.

#### 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 Investor. An 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 and (ii) its Affiliates; provided that each such Affiliate (x) is not a Competitor or FOIA Party, unless such party's purchase of New Securities is otherwise consented to by the Board, (y) agrees to enter into this Agreement and the Amended and Restated Voting Agreement of even date herewith among the Company, the Investors and the other parties named therein (the "**Voting Agreement**"), as an "**Investor**" under each such agreement (provided that any Competitor or FOIA Party shall not be entitled to any rights as an Investor under Subsections 3.1, 3.2 and 4.1 hereof).

(a) The Company shall give notice (the "**Offer Notice**") to each 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 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 proportion that the Registrable Securities then held by such Investor bears to the total number of Registrable Securities then outstanding. At the expiration of such twenty (20) day period, the Company shall promptly notify each Investor that elects to purchase or acquire all the shares available to it (each, a "**Fully Exercising Investor**") of any other 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 Investors were entitled to subscribe but that were not subscribed for by the Investors which is equal to the proportion that the Registrable Securities then held, by such Fully Exercising Investor bears to the Registrable 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 one hundred and twenty (120) 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).

(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 one hundred and twenty (120) 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 Investors 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 Restated Certificate); (ii) shares of Common Stock issued in the IPO; and (iii) the issuance of shares of 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) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) a Deemed Liquidation Event, as such term is defined in the Restated Certificate, whichever event occurs first.

5. Additional Covenants.

5.1 Insurance. The Company shall use its commercially reasonable efforts to obtain, within ninety (90) days of the date hereof, from financially sound and reputable insurers Directors and Officers liability insurance, each in an amount and on terms and conditions satisfactory to the Board of Directors (including at least a majority of the Preferred Directors then in office), and will use commercially reasonable efforts to cause such insurance policies to be maintained until such time as the Board of Directors (including at least a majority of the Preferred Directors then in office) determines that such insurance should be discontinued. Notwithstanding any other provision of this Section 5.1 to the contrary, for so long as a Preferred Director (as defined in the Restated Certificate) is serving on the Board of Directors, the Company shall not cease to maintain a Directors and Officers liability insurance policy unless approved by such Preferred Director, and the Company shall annually, within one hundred twenty (120) days after the end of each fiscal year of the Company, deliver to the Preferred Directors a certification that such a Directors and Officers liability insurance policy remains in effect.

5.2 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. 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 approval of a majority of the Board of Directors (including at least a majority of the Preferred Directors then in office).

5.3 **Employee Stock.** Unless otherwise approved by the Board (including at least a majority of the Preferred Directors then in office) 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 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 three (3) years, (ii) the immediate expiration of all unvested options upon an employee's or consultant's, as applicable, termination or resignation from the Company, (iii) a ninety (90) day exercise period for an employee or consultant, as applicable, to exercise vested options upon an employee's or consultant's, as applicable, termination or resignation, and (iv) a market stand-off provision substantially similar to that in Subsection 2.11. Without the prior approval of the Board (including at least a majority of the Preferred Directors then in office), the Company shall not amend, modify, terminate, waive or otherwise alter, in whole or in part, any stock purchase, stock restriction or option agreement with any existing employee or service provider if such amendment would cause it to be inconsistent with this Subsection 5.3. In addition, unless otherwise approved by the Board (including at least a majority of the Preferred Directors then in office) 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.

5.4 **Board Matters.** Unless otherwise determined by the vote of a majority of the directors then in office, the Board shall meet at least quarterly in accordance with an agreed-upon schedule. The Company shall reimburse the directors for all reasonable and documented out-of-pocket expenses (consistent with Company policies) incurred in connection with attending meetings of the Board. Each Preferred Director shall be entitled in such person's discretion to be a member of any committee of the Board of Directors.

5.5 **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 as in effect immediately before such transaction, whether such obligations are contained in the Company's Bylaws, the Restated Certificate, or elsewhere, as the case may be.

5.6 **Indemnification Matters.** The Company hereby acknowledges that one (1) or more of the directors nominated to serve on the Board 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 Restated Certificate 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

5.7 Additional Approvals. Without the approval of the Board (including the affirmative vote or consent of a majority of the Preferred Directors then in office), the Company shall not, either directly or indirectly by amendment, merger, consolidation or otherwise (i) consummate a “**Deemed Liquidation Event**” as defined in the Restated Certificate, (ii) issue or obligate itself to issue any New Securities (other than Exempted Securities, shares of Common Stock issued in the IPO, or shares of Preferred Stock issued pursuant to the Purchase Agreement) or (iii) sell, assign, license, pledge, or encumber any material intellectual property assets, other than non-exclusive licenses granted in the ordinary course of business.

5.8 CFIUS Matters. To the extent that the Company engages in the design, fabrication, development, testing, production or manufacture of critical technologies within the meaning of the Defense Production Act of 1950, as amended, including all implementing regulations thereof, whether because of a new categorization of technology by the U.S. government or otherwise, the Company shall promptly provide notice to Omega Fund V, L.P. (“**Omega**”).

5.9 Termination of Covenants. The covenants set forth in this Section 5, except for Subsections 5.5 and 5.6, shall terminate and be of no further force or effect upon the earliest to occur of: (i) immediately before the consummation of the IPO; (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act; or (iii) upon a Deemed Liquidation Event, as such term is defined in the Restated Certificate.

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 at least 100,000 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 and any controversy arising out of or relating to this Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware to the extent applicable, and to the extent the General Corporation Law of the State of Delaware is not applicable, the laws of the State of Delaware, without regard to conflict of law principles that would result in the application of any law other than such 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 ESIGN Act of 2000, e.g., [www.docuSign.com](http://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.

(a) 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 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 the principal office of the Company and to the attention of the Chief Executive Officer, in the case of the Company, or to such email address, facsimile number, or address as subsequently modified by written notice given in accordance with this Subsection 6.5. If notice is given to the Company, a copy (which shall not constitute notice) shall also be sent to Fredrikson & Byron, P.A., 200 South Sixth Street, Suite 4000, Minneapolis, MN 55402-1425, Attn: Christopher J. Melsha, Esq., email: cmelsha@fredlaw.com.

(b) Each Investor consents to the delivery of any stockholder notice pursuant to the Delaware General Corporation Law (the "**DGCL**"), as amended or superseded from time to time, by electronic transmission pursuant to Section 232 of the DGCL (or any successor thereto) at the electronic mail address or the facsimile number set forth below such Investor's name on the Schedules hereto, as updated from time to time by notice to the Company, or as on the books of the Company. To the extent that any notice given by means of electronic transmission is returned or undeliverable for any reason, the foregoing consent shall be deemed to have been revoked until a new or corrected electronic mail address has been provided, and such attempted Electronic Notice shall be ineffective and deemed to not have been given. Each Investor agrees to promptly notify the Company of any change in such stockholder's electronic mail address, and that failure to do so shall not affect the foregoing.

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 the holders of sixty-seven percent (67%) of the Registrable Securities then outstanding; 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. In addition, any amendment or waiver of (i) Section 5.7 shall require the approval of the Board (including the affirmative vote or consent of a majority of the Preferred Directors then in office), and (ii) Section 5.8 shall require the consent of Omega. 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.

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 Affiliated persons may apportion such rights as among themselves in any manner they deem appropriate.

6.9. Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of the Company's Preferred Stock after the date hereof, any purchaser of such shares of Preferred Stock shall, as a condition to such issuance, 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. No action or consent by the Investors shall be required for such joinder to this Agreement by such additional Investor, so long as such additional Investor has agreed in writing to be bound by all of the obligations as an "**Investor**" 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 terminate and be of no further force and effect and shall be superseded and replaced in its entirety by this Agreement.

6.11. Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of New York and to the jurisdiction of the United States District Court for the Southern District of New York 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 New York or the United States District Court for the Southern District of New York, 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.

WAIVER OF JURY TRIAL: EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

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.

[Remainder of Page Intentionally Left Blank]



IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**KRONOS BIO, INC.**

By:           /s/ Norbert W. Bischofberger          

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Name: Norbert W. Bischofberger

Title: President and Chief Executive Officer

Address:

Email:

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

**SEAVIEW TRUST**

By: /s/ Hannah Ackerman

Name: Hannah Ackerman

Title: Trustee

Address:

Email:

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

**BELCO CAPITAL, LLC**

By: /s/ Joshua Bradley  
Name: Joshua Bradley  
Title: Executive Officer

Address:

Email:

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

**VECCHIA PARTNERS, LTD.**

By: /s/ Rebecka Belldegrun  
Name: Rebecka Belldegrun  
Title: Director

Address:

Email:

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Tampere Trust

By: /s/ Mark Lewis Karen Oliver

Name: Mark Lewis and Karen Oliver

Title: Directors of Novatrust Limited as trustee of the Tampere Trust

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

This Agreement is entered into by Novatrust Limited in its capacity as trustee only of the Tampere Trust and its liability hereunder is limited to the property held by it from time to time as trustee only of that Trust.

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Adrenalin Properties Limited

By: /s/ Mark Lewis Karen Oliver

Name: Chaumont (Directors) limited

Title: Sole Corporate Director

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

**Ron-BCT**

By: /s/ Hanna Ackerman

Name: Hanna Ackerman

Title: Trustee

Address:

Email:

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

**Mia-BCT**

By: /s/ Hanna Ackerman  
Name: Hanna Ackerman  
Title: Trustee

Address:

Email:

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**



IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

**Daniel-BCT**

By: /s/ Hanna Ackerman

Name: Hanna Ackerman

Title: Trustee

Address:

Email:

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

**PZS-MIA GCT**

By: /s/ Hanna Ackerman

Name: Hanna Ackerman

Title: Trustee

Address:

Email:

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

**PZS-Ben BCT**

By: /s/ Hanna Ackerman

Name: Hanna Ackerman

Title: Trustee

Address:

Email:

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

**JOSHUA A. KAZAM AND JOIA KAZAM,  
JTWROS**

/s/ Joshua A. Kazam

Joshua A. Kazam

/s/ Joia Kazam

Joia Kazam

Address:

Email:

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: David Tanen Revocable Grantor Trust

By: /s/ Gregory Kiernan

Name: Gregory Kiernan

Title: Trustee

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Sonostar Ventures LLC

By: /s/ Gregory Kiernan

Name: Gregory Kiernan

Title: President & CEO

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

/s/ Gregory Kiernan \_\_\_\_\_  
(signature)

Gregory Kiernan \_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Kiernan Family Trust

By: /s/ Vera H. Kiernan

Name: Vera H. Kiernan

Title: Trustee

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**



IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

/s/ Owen Witte \_\_\_\_\_  
(signature)

Owen Witte \_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Chang 2006 Family Trust

By: /s/ David D. Chang /s/ Jane Chang

Name: David D. Chang and Jane Chang

Title: co-Trustees

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Julia Chang 2018 Irrevocable Trust

By: /s/ David Chang

Name: David Chang

Title: Trustee

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Robert Chang 2018 Irrevocable Trust

By: /s/ David Chang

Name: David Chang

Title: Trustee

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

/s/ Christopher M. Wilfong  
\_\_\_\_\_  
(signature)

Christopher M. Wilfong  
\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

**OMEGA FUND V, L.P.**

**By: OMEGA FUND V GP, L.P.  
its General Partner**

**By: OMEGA FUND V GP MANAGER, LTD.  
its General Partner**

By: /s/ A-M Paster  
Name: A-M Paster  
Title: Director

Address:

Email:

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Linda C. Barnes, Trustee of the Linda  
C. Barnes Living Trust, dated 11/8/18

By: /s/ Linda Barnes

Name: Linda Barnes

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Navins Living Trust UAD 1/14/16

By: /s/ Scott Navins

Name: Scott Navins

Title: Trustee

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**



IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

/s/ Veer Bhavnagri \_\_\_\_\_  
(signature)

Veer Bhavnagri \_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

/s/ Steven Blum \_\_\_\_\_  
(signature)

Steven Blum \_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

/s/ Marius Pop \_\_\_\_\_  
(signature)

Marius Pop \_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**INVESTORS:**

**NORBERT W & INGER A  
BISCHOFBERGER REVOCABLE INTER  
VIVOS TRUST, DTD AUGUST 29, 1994**

By: /s/ Norbert Bischofberger \_\_\_\_\_  
Name: Norbert Bischofberger \_\_\_\_\_  
Title: Co-Trustee \_\_\_\_\_

Address:

Email:

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Nexus Development PA, LLC

By: /s/ John C. Martin

Name: John C. Martin

Title: President

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Vida Ventures

By: /s/ Stefan Vitorovic

Name: Stefan Vitorovic

Title: Managing Director

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

**LG LANGE III TRUST DTD 10/12/16**

By: /s/ Louis Lange  
Name: Louis Lange  
Title: Trustee

Address:

Email:

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: GV 2019, L.P.

By: GV 2019 GP, L.O., its General Partner

By: GV 2019 GP, L.L.C., its General Partner

By: /s/ Daphne Chang

Name: Daphne M Chang

Title: Authorized Signatory

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_



IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: PERCEPTIVE LIFE SCIENCES  
MASTER FUND, LTD.

By: /s/ James H Mannix

Name: James H Mannix

Title: COO

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Nextech V Oncology SCS, SICAV - SIF

By: /s/ James Pledger

Name: James Pledger

Title: Manager

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

**POLARIS PARTNERS VIII, L.P.**

By: POLARIS PARTNERS GP VIII, L.L.C.  
Its: GENERAL PARTNER

By: /s/ Lauren Crockett  
\_\_\_\_\_  
Lauren Crockett  
Attorney-in-fact

**POLARIS ENTREPERNEURS' FUND VIII, L.P.**

By: POLARIS PARTNERS GP VIII, L.L.C.  
Its: GENERAL PARTNER

By: /s/ Lauren Crockett  
\_\_\_\_\_  
Lauren Crockett  
Attorney-in-fact

**LS POLARIS INNOVATION FUND, L.P.**

By: LS POLARIS INNOVATION GP, L.L.C.  
Its: GENERAL PARTNER

By: /s/ Lauren Crockett  
\_\_\_\_\_  
Lauren Crockett  
Attorney-in-fact

Address:

Email:

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

/s/ Joshua Bradley \_\_\_\_\_  
(signature)

Joshua Bradley \_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

/s/ Andrew Riley  
\_\_\_\_\_  
(signature)

Andrew Riley  
\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

/s/ Jerry I. Speyer \_\_\_\_\_  
(signature)

Jerry I. Speyer \_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

/s/ Robert J. Speyer \_\_\_\_\_  
(signature)

Robert J. Speyer \_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

**BROTHERS EQUITIES LLC**

By: /s/ Jeffrey V. Mandel  
Jeffrey V. Mandel  
Authorized Signatory

Address:

Email:

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**



IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

**BROTHERS EQUITIES LLC**

By: /s/ Paul Galiano  
Paul Galiano  
Managing Member

Address:

Email:

**SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

/s/ Aaron Kazam /s/ Samantha Kazam  
(signature)

Aaron Kazam & Samantha Kazam  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

/s/ Philip P. Gutry \_\_\_\_\_  
(signature)

Philip P. Gutry \_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: The Carrithers Family Trust dtd  
3/8/2017

By: /s/ Traci L Carrithers

Name: Traci L Carrithers

Title: Exec Coordinator/Operations Manager

By: /s/ Shannon F Carrithers

Name: Shannon F Carrithers

Title: RN

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

/s/ Ronald I Dozoretz \_\_\_\_\_  
(signature)

Ronald I Dozoretz \_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Bonderman Family Limited Partnership

By: /s/ Clive Bode

Name: Clive Bode

Title: President

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

/s/ Tatiana Kedel \_\_\_\_\_  
(signature)

Tatiana Kedel \_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: KBV LLC.

By: Kingsbrook Opportunities GP LLC, its manager

By: /s/ Scott McWallace

Name: Scott McWallace

Title: Managing Member

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_



IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**INVESTORS:**

***If an Individual:***

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(print name)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

***If an Entity (Including a trust):***

Entity Name: Artal Treasury Ltd.

By: /s/ Kirsty Philippe

Name: Kirsty Philippe

Title: Director

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

**SCHEDULE A**

**List of Investors**

**I. Holders of Series Seed Preferred Stock**

<b>Name</b>	<b>Address</b>	<b>Series Seed Preferred Shares</b>
Joshua Kazam	c/o Two River Consulting 689 5th Ave, 12th Floor New York, NY 10022	22,328
Joshua Kazam Irrevocable Trust	191 King St. Chappaqua, NY, 10514	418,107
David Tanen	834 Fox Hedge Rd. Franklin Lakes, NJ 07417	219,482
David Tanen Revocable Grantor Trust	191 King St. Chappaqua, NY, 10514	221,237
Chang 2006 Family Trust	1755 Ocean Avenue, #803 Santa Monica, CA 90401	177,429
Julia Chang 2018 Irrevocable Trust	1755 Ocean Avenue, #803 Santa Monica, CA 90401	80,000
Robert Chang 2018 Irrevocable Trust	1755 Ocean Avenue, #803 Santa Monica, CA 90401	80,000
Julia Eunyoung Chang	1755 Ocean Avenue, #803 Santa Monica, CA 90401	50,000
Robert Taeyong Chang	1755 Ocean Avenue, #803 Santa Monica, CA 90401	50,000
Gregory F. Kiernan	191 King St. Chappaqua, NY, 10514	308,663
Sonostar Ventures, LLC	191 King St. Chappaqua, NY, 10514	65,569
Kiernan Family Trust	300 Millwood Rd. Chappaqua, NY, 10514	65,569
Owen Witte	14727 Sutton Street Sherman Oaks, CA 91403	109,461
The Blum/Crosby Investment Trust of 2017	300 Harvard St., Unit 1 Boston, MA 02139	43,754
Christopher M. Wilfong	663 Tremont Ave., Unit 3 Boston, MA 02118	22,126
Marius Pop	90 Marivista Ave. Waltham, MA 02451	8,721
David Freeman	25 Aberdeen Ave., Unit 2 Cambridge, MA 02138	8,717

Omega Fund V, L.P.	185 Dartmouth St. Suite 502 Boston, MA 02116	1,522,484
Norbert W & Inger A Bischofberger Revocable Inter Vivos Trust, dtd August 29, 1994	983 Barroilhet Ave. Hillsborough, CA 94010	1,300,001
John Charles Martin	501 Beale Street, Apt. 19A San Francisco, CA 94105	866,667
Vida Ventures, LLC	40 Broad St. Boston, MA 02109	650,000
Vecchia Partners, Ltd.	811 Strada Vecchia Rd. Los Angeles, CA 90077	520,000
Seaview Trust	811 Strada Vecchia Rd. Los Angeles, CA 90077	216,666
Bellco Capital, LLC	811 Strada Vecchia Rd. Los Angeles, CA 90077	173,333
Novatrust Limited as Trustees of Tampere Trust	No. 2 The Forum, Grenville St., St. Helier, Jersey, JE14HH Channel Islands	108,333
Dominick Fernando Mills Jr. and Christine Anne Cassiano- Mills Family Trust (dtd 2/25/15 restated 11/15/17)	4150 Madison Ave. Culver City, CA 90232	86,666
Adrenalin Properties Ltd.	No. 2 The Forum, Grenville St., St. Helier, Jersey, JE14HH Channel Islands	65,000
Ron-BCT	811 Strada Vecchia Rd. Los Angeles, CA 90077	65,000
Mia-BCT	811 Strada Vecchia Rd. Los Angeles, CA 90077	65,000
Daniel-BCT	811 Strada Vecchia Rd. Los Angeles, CA 90077	65,000
LG Lang Trust iii DTD 10/12/16	509 Hale St. Palo Alto, CA 94301	43,333
Navins Living Trust U/A/D 1- 4-16	23461 Palm Drive, Calabasas, CA 91302	43,333
PZS-MIA GCT	811 Strada Vecchia Rd. Los Angeles, CA 90077	10,833
PZS-Benjamin GCT	811 Strada Vecchia Rd. Los Angeles, CA 90077	10,833
Linda Barnes	707 Idaho Ave #310 Santa Monica, 90403	21,666
Veer Bhavnagri	344 Mesa Rd. Santa Monica, CA 90402	21,666
<b>TOTAL</b>		<b>7,806,977</b>

**II. Holders of Series A Preferred Stock**

<b>Name</b>	<b>Address</b>	<b>Series A Preferred Shares</b>
Seaview Trust	811 Strada Vecchia Los Angeles, CA 90077	277,219
Bellco Capital, LLC	2049 Century Park East Suite 1940 Los Angeles, CA 90067	1,304,563
Vecchia Partners, Ltd.	811 Strada Vecchia Los Angeles, CA 90077	342,447
Tampere Trust	No. 2 The Forum, Grenville Street, St. Helier, Jersey JE1 4HH	211,991
Adrenalin Properties Limited	No 2 The Forum, Grenville Street, St. Helier, Jersey, JE1 4HH	52,182
Ron-BCT	811 Strada Vecchia Los Angeles, CA 90077	52,182
Mia-BCT	811 Strada Vecchia Los Angeles, CA 90077	52,182
Daniel-BCT	811 Strada Vecchia Los Angeles, CA 90077	52,182
PZS-MIA GCT	811 Strada Vecchia Los Angeles, CA 90077	17,932
PZS-Ben GCT	811 Strada Vecchia Los Angeles, CA 90077	17,932
Joshua A. Kazam and Joia Kazam, JTWROS	151 E. 85th Street, Apt 19D New York, NY 10028	65,228
David Tanen Revocable Grantor Trust	191 King St. Chappaqua, NY 10514	65,243
Sonostar Ventures LLC	191 King St. Chappaqua, NY 10514	9,784
Gregory Kiernan	191 King St. Chappaqua, NY 10514	45,659
Kiernan Family Trust	191 King St. Chappaqua, NY 10514	9,784

Owen Witte	14727 Sutton St. Sherman Oaks, CA 91403	32,614
Chang 2006 Family Trust	1755 Ocean Avenue, #803 Santa Monica, CA 90401	97,842
Julia Chang 2018 Irrevocable Trust	1755 Ocean Avenue, #803 Santa Monica, CA 90401	48,921
Robert Chang 2018 Irrevocable Trust	1755 Ocean Avenue, #803 Santa Monica, CA 90401	48,921
Christopher M. Wilfong	663 Tremont Street, Unit 3 Boston, MA 02118	6,522
Omega Fund V, L.P.	888 Boylston St. Boston, MA 02199	1,304,563
Linda C. Barnes, Trustee of the Linda C. Barnes Living Trust, dated 11/8/18	707 Idaho Ave., #310 Santa Monica, CA 90403	13,045
Navins Living Trust U/A/D 1/4/16	23461 Palm Drive Calabasas, CA 91302	13,045
Veer Bhavnagri	255 Ridgeway Road Hillsborough, CA 94010	26,091
Steven Blum	330 Harvard St., Unit 1 Cambridge, MA 02139	6,522
Marius Pop	90 Marivista Ave. Waltham, MA 02451	1,956
Norbert W & Inger A Bischofberger Revocable Inter Vivos Trust, DTD August 29, 1994	983 Barroilhet Ave Hillsborough, CA 94010	1,565,476
Nexus Development PA, LLC	c/o Seiler, LLP 3 Lagoon Dr., Suite 400 Redwood City, CA 94065	717,509
Vida Ventures	40 Broad Street, Ste. 201 Boston, MA 02109	1,304,563
LG Lange III Trust DTD 10/12/16	509 Hale St. Palo Alto, CA 94301	32,614
GV 2019, L.P.	Attn: GV Legal Department 1600 Amphitheatre Parkway Mountain View, CA 94043	1,304,563

Perceptive Life Sciences Master Fund, Ltd.	51 Aston Place New York, NY 10003	1,304,564
Nextech V Oncology S.C.S., SICAV-SIF	8, Rue Lou Hemmer L-1748 Luxembourg- Findel Grand-Duche de Luxembourg	1,304,563
Polaris Partners VIII, L.P.	One Marina Park Drive 10th Floor Boston, MA 02210	503,794
Polaris Entrepreneurs' Fund VIII, L.P.	One Marina Park Drive 10th Floor Boston, MA 02210	18,030
LS Polaris Innovation Fund, L.P.	One Marina Park Drive 10th Floor Boston, MA 02210	130,456
Joshua Bradley	c/o Bellco Capital LLC 2049 Century Park E Suite 1940 Los Angeles, CA 90067	26,091
Andrew Riley	123 California Ave., Unit 315 Santa Monica, CA 90403	26,091
Jerry I. Speyer	c/o TS 45 Rockefeller Plaza 7th Floor New York, NY 10111	32,614
Robert J. Speyer	c/o TS 45 Rockefeller Plaza 7th Floor New York, NY 10111	32,614
Brothies Equities LLC	1 Montgomery Place, Unit 1 Brooklyn, NY 11215	5,218
Galiano Family Holding, LLC	452 Navesink River Road Red Bank, NJ 07701	32,614
Aaron Kazam & Samantha Kazam	225 W 83rd Street, #168 New York, NY 10024	3,261
Philip P. Gutry	140 Erica Way Portola Valley, CA 94028	9,784
The Carrithers Family Trust dtd 3/8/2017	2831 Hacienda St. San Mateo, CA 94403	13,045

Ronald I. Dozoretz	240 Corporate Blvd. Ste 110 Norfolk, VA 23502	231,559
Bonderman Family Limited Partnership	301 Commerce Street Ste 3150 Fort Worth, TX 76102	1,304,563
Tatiana Kedel	14010 Captains Row Ap. 247 Marina Del Rey, CA 90202	2,609
KB/V LLC	c/o Kingsbrook Partners LP 689 Fifth Avenue 12th Floor New York, NY 10022	39,136
Artal Treasury Ltd.	Borough House Rue Du Pre St. Peter Port, Guernsey	652,281
<b>TOTAL</b>		<b>13,697,916</b>

**KRONOS BIO, INC.**  
**2017 EQUITY INCENTIVE PLAN**

**SECTION 1.**  
**DEFINITIONS**

As used herein, the following terms shall have the meanings indicated below:

- (a) "**Administrator**" shall mean the Board of Directors of the Company, or one or more Committees appointed by the Board, as the case may be.
- (b) "**Affiliate(s)**" shall mean a Parent or Subsidiary of the Company.
- (c) "**Award**" shall mean any grant of an Option, Restricted Stock Award, Restricted Stock Unit Award, Stock Appreciation Right or Performance Award.
- (d) "**Award Agreement**" means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award.

(e) "**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 Award without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, 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 Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(f) "**Cause**" will 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) the Participant's commission of any crime involving fraud, dishonesty or moral turpitude; (ii) the Participant's attempted commission of or participation in a fraud or act of dishonesty against the Company that results in (or might have reasonably resulted in) material harm to the business of the Company; (iii) the Participant's intentional, material violation of any contract or agreement between the Participant and the Company or any statutory duty that the Participant owes to the Company; or (iv) the Participant's conduct that constitutes gross insubordination, incompetence or habitual neglect of duties and that results in (or might have reasonably resulted in) material harm to the business of the Company; *provided, however*, that the action or conduct described in clauses (iii) and (iv) above will constitute "Cause" only if such action or conduct continues after the Company has provided the Participant with written notice thereof and thirty (30) days to cure the same.

- (g) "**Change of Control**" shall mean the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events. For purposes of this



definition, a person, entity or group shall be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person, entity or group 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.

(i) Any person, entity or group 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 by an investor, any affiliate thereof or any other person, entity or group from the Company 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 (B) solely because the level of Ownership held by any person, entity or group (the "Subject Person") exceeds fifty percent (50%) 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 to more than fifty percent (50%), 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 total gross value 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 total gross value 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 (for purposes of this Section 1(d)(iii), "gross value" means the value of the assets of the Company or the value of the assets being disposed of, as the case may be, determined without regard to any liabilities associated with such assets); or

(iv) Individuals who, at the beginning of any consecutive twelve-month period, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board at any time during that consecutive twelve-month period; *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 or stockholders of the Company at the beginning of such twelve-month period, such new member shall, for purposes of this Plan, be considered as a member of the Incumbent Board.

For the avoidance of doubt, 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. To the extent required, the determination of whether a Change of Control has occurred shall be made in accordance with Internal Revenue Code Section 409A and the regulations, notices and other guidance of general applicability issued thereunder.

(h) "**Committee**" shall mean a Committee of two or more directors who shall be appointed by and serve at the pleasure of the Board. To the extent necessary for compliance with Rule 16b-3, or any successor provision, each of the members of the Committee shall be a "non-employee director." Solely for purposes of this Section 1(e), "non-employee director" shall have the same meaning as set forth in Rule 16b-3 under the Exchange Act, or any successor provision, as then in effect. Further, to the extent necessary for compliance with the limitations set forth in Internal Revenue Code Section 162(m), each of the members of the Committee shall be an "outside director" within the meaning of Code Section 162(m) and the regulations issued thereunder.

(i) The "**Company**" shall mean Kronos Bio, Inc., a Delaware corporation.

(j) "**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, consultant or director 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, will not terminate a Participant's Continuous Service; *provided, however*, that if the entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board, in its sole discretion, such Participant's Continuous Service will be considered to have terminated on the date such entity ceases to qualify as an Affiliate. To the extent permitted by law, the Administrator or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Administrator 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 will be treated as Continuous Service for purposes of vesting in an 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. In addition, to the extent required for exemption from or compliance with Section 409A

of the Code, the determination of whether there has been a termination of Continuous Service will be made, and such term will be construed, in a manner that is consistent with the definition of "separation from service" as defined under Treasury Regulation Section 1.409A-1(h) (without regard to any alternative definition thereunder).

(k) **"Disability"** means, with respect to a Participant, the inability of such Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months, as provided in Sections 22(e)(3) and 409A(a)(2)(c)(i) of the Code, and will be determined by the Administrator on the basis of such medical evidence as the Administrator deems warranted under the circumstances.

(l) **"Exchange Act"** means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

(m) **"Fair Market Value"** as of any date shall mean the value of the Common Stock determined as follows:

(i) if such stock is listed on any established stock exchange or traded on any established market, unless otherwise determined by the Board, the price of such stock at the close of the regular trading session of such market or exchange on such date, as reported by Bloomberg or a comparable reporting service, or, if no sale of such stock shall have occurred on such date, on the next preceding date on which there was a sale of stock;

(ii) if such stock is quoted by the OTC Bulletin Board, unless otherwise determined by the Board, the price of such stock at the close of the regular trading session of the OTC Bulletin Board on such date, as reported by Bloomberg or a comparable reporting service, or if no sale of such stock shall have occurred on such date, on the next preceding date on which there was a sale of stock; *provided, however*, that if there are not reported sales on the OTC Bulletin Board, then the price of such stock shall be the average of the closing "bid" and "asked" prices quoted on the OTC Bulletin Board on such date;

(iii) if such stock is not listed on an established exchange or market and is not quoted on the OTC Bulletin Board, unless otherwise determined by the Board, the price of such stock the average of the closing "bid" and "asked" prices quoted by the National Quotation Bureau, or any comparable reporting service on such date or, if there are no quoted "bid" and "asked" prices on such date, on the next preceding date for which there are such quotes; or

(iv) if such stock is not publicly traded as of such date, the per share value as determined by the Board, or the Committee, in good faith and in a manner that complies with Sections 409A and 422 of the Code.

(n) **"Incentive Stock Option"** means an Option granted pursuant to Section 9 of the Plan that is intended to be, and that qualifies as, an "incentive stock option" within the meaning of Section 422 of the Code and the rules and regulations promulgated thereunder.

(o) The **"Internal Revenue Code"** or **"Code"** is the Internal Revenue Code of 1986, as amended from time to time, including any applicable regulations and guidance thereunder.

(p) **"IPO Date"** means the date of the underwriting agreement between the Company and the underwriter(s) managing the initial public offering of the Common Stock, pursuant to which the Common Stock is priced for the initial public offering.

(q) **"Nonqualified Stock Option"** means an Option granted pursuant to Section 10 of the Plan that does not, at the time of grant or thereafter, qualify as an Incentive Stock Option.

(r) **"Option"** means an Incentive Stock Option or Nonqualified Stock Option to purchase shares of Common Stock pursuant to the Plan.

(s) **"Officer"** means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(t) **"Parent"** shall mean any corporation which owns, directly or indirectly in an unbroken chain, fifty percent (50%) or more of the total voting power of the Company's outstanding stock.

(u) **"Participant"** means a person to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Award.

(v) **"Performance Award"** shall mean any Performance Shares or Performance Units granted pursuant to Section 12 hereof.

(w) **"Performance Objective(s)"** shall mean one or more performance objectives established by the Administrator, in its sole discretion, for Awards granted under this Plan. For any Awards that are intended to qualify as "performance-based compensation" under Code Section 162(m), the Performance Objectives shall be limited to any one, or a combination of the following criteria: (1) earnings (including earnings per share and net earnings); (2) earnings before interest, taxes and depreciation; (3) earnings before interest, taxes, depreciation and amortization; (4) earnings before interest, taxes, depreciation, amortization and legal settlements; (5) earnings before interest, taxes, depreciation, amortization, legal settlements and other income (expense); (6) earnings before interest, taxes, depreciation, amortization, legal settlements, other income (expense) and stock-based compensation; (7) earnings before interest, taxes, depreciation, amortization, legal settlements, other income (expense), stock-based compensation and changes in deferred revenue; (8) total stockholder return; (9) return on equity or average stockholder's equity; (10) return on assets, investment, or capital employed; (11) stock price; (12) margin (including gross margin); (13) income (before or after taxes); (14) operating income; (15) operating income after taxes; (16) pre-tax profit; (17) operating cash flow; (18) sales or revenue targets; (19) increases in revenue or product revenue; (20) expenses and cost reduction goals;

(21) improvement in or attainment of working capital levels; (22) economic value added (or an equivalent metric); (23) market share; (24) cash flow; (25) cash flow per share; (26) share price performance; (27) debt reduction; (28) implementation or completion of projects or processes; (29) employee retention; (30) stockholders' equity; (31) capital expenditures; (32) debt levels; (33) operating profit or net operating profit; (34) workforce diversity; (35) growth of net income or operating income; (36) billings; (37) bookings; (38) initiation of phases of clinical trials and/or studies by specified dates; (39) patient enrollment rates; (40) budget management; (41) regulatory body approval with respect to products, studies and/or trials; and (42) commercial launch of products

(x) "**Performance Period**" shall mean the period, established at the time any Performance Award is granted or at any time thereafter, during which any Performance Objectives specified by the Administrator with respect to such Performance Award are to be measured. Performance Periods may be of varying and overlapping duration, at the sole discretion of the Board.

(y) "**Performance Share**" shall mean any grant pursuant to Section 12 hereof of an Award, which value, if any, shall be paid to a Participant by delivery of shares of Common Stock of the Company upon achievement of such Performance Objectives during the Performance Period as the Administrator shall establish at the time of such grant or thereafter.

(z) "**Performance Unit**" shall mean any grant pursuant to Section 12 hereof of an Award, which value, if any, shall be paid to a Participant by delivery of cash upon achievement of such Performance Objectives during the Performance Period as the Administrator shall establish at the time of such grant or thereafter.

(a) The "**Plan**" means the Kronos Bio, Inc. 2017 Equity Incentive Plan (previously called the 2009 Equity Incentive Plan, as amended hereafter from time to time, including the form of Agreements as they may be modified by the Administrator from time to time.

(aa) "**Restricted Stock Award**" or "**Restricted Stock Unit Award**" shall mean any grant of restricted shares of Stock of the Company or the grant of any restricted stock units pursuant to Section 11 hereof.

(bb) "**Securities Act**" means the Securities Act of 1933, as amended.

(cc) "**Stock**," "**Option Stock**" or "**Common Stock**" shall mean Common Stock of the Company (subject to adjustment as described in Section 14). hereof.

(dd) "**Stock Appreciation Right**" or "**SAR**" shall mean a grant pursuant to Section 13

(ee) A "**Subsidiary**" shall mean any corporation of which fifty percent (50%) or more of the total voting power of the Company's outstanding Stock is owned, directly or indirectly in an unbroken chain, by the Company.

**SECTION 2.**  
**PURPOSE**

The purpose of the Plan is to promote the success of the Company and its Affiliates by facilitating the employment and retention of competent personnel and by furnishing incentive to officers, directors, employees, consultants, and advisors upon whose efforts the success of the Company and its Affiliates will depend to a large degree.

It is the intention of the Company to carry out the Plan through the granting of Options which will qualify as "incentive stock options" under the provisions of Section 422 of the Internal Revenue Code, or any successor provision, pursuant to Section 9 of this Plan; through the granting of Nonqualified Stock Options pursuant to Section 10 of this Plan; through the granting of Restricted Stock Awards and Restricted Stock Unit Awards pursuant to Section 11 of this Plan; through the granting of Performance Awards pursuant to Section 12 of this Plan; and through the granting of Stock Appreciation Rights pursuant to Section 13 of this Plan.

**SECTION 3.**  
**EFFECTIVE DATE OF PLAN**

Adoption of this Plan shall be and is expressly subject to the condition of approval by the stockholders of the Company within twelve (12) months before or after the adoption of the Plan by the Board of Directors. Awards may be granted prior to the date this Plan is approved by the stockholders of the Company; *provided, however*, that any Incentive Stock Options granted after adoption of the Plan by the Board of Directors shall be treated as Nonqualified Stock Options if stockholder approval is not obtained within such twelve-month period.

**SECTION 4.**  
**ADMINISTRATION**

(a) Administration by the Board. The Plan shall be administered by the Board of Directors of the Company (hereinafter referred to as the "**Board**") or by a Committee which may be appointed by the Board from time to time to administer the Plan (hereinafter collectively referred to as the "**Administrator**").

(b) Powers of the Administrator. The Administrator shall have full power and authority to administer and interpret the Plan, to make and amend rules, regulations and guidelines for administering the Plan, to prescribe the form and conditions of the respective agreements evidencing each Award (which may vary from Participant to Participant), and to make all other determinations necessary or advisable for the administration of the Plan. The Administrator's interpretation of the Plan, and all actions taken and determinations made by the Administrator pursuant to the power vested in it hereunder, shall be conclusive and binding on all parties concerned. Except as otherwise provided herein, the Administrator shall have all of the powers vested in it under the provisions of the Plan, including but not limited to the authority:

(i) To determine whether an Award shall be granted; the individuals to whom, and the time or times at which, Awards shall be granted; the number of shares subject to each Award; the exercise price; and the performance criteria, if any, and any other terms and conditions of each Award.

(ii) To correct any defect, omission or inconsistency in the Plan or in any Award Agreement, in a manner and to the extent it will deem necessary or expedient to make the Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate, in whole or in part, the time at which an Award may be exercised or vest (or at which cash or shares of Common Stock may be issued).

(v) To suspend or terminate the Plan at any time. Except as otherwise provided in the Plan or an Award Agreement, suspension or termination of the Plan will not materially impair a Participant's rights under his or her then-outstanding Award without his or her written consent.

(vi) To amend the terms of any one or more outstanding Awards. Except with respect to amendments that disqualify or impair the status of an Incentive Stock Option or as otherwise provided in the Plan or an Award Agreement, no amendment of an outstanding Award will materially impair that Participant's rights under his or her outstanding Award without his or her written consent. To be clear, unless prohibited by applicable law, the Board may amend the terms of an Award without the affected Participant's consent if necessary (A) to maintain the qualified status of the Award as an Incentive Stock Option, (B) to clarify the manner of exemption from, or to bring the Award into compliance with, Section 409A of the Code, or (C) to comply with other applicable laws.

(vii) 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.

(viii) To effect, with the consent of any adversely affected Participant, (A) the reduction of the exercise, purchase or strike price of any outstanding Award; (B) the cancellation of any outstanding Award and the grant in substitution therefor of a new Award of the same or different type, a cash award and/or an award of other valuable consideration determined by the Board, in its sole discretion, with any such substituted award (x) covering the same or a different number of shares of Common Stock as the cancelled Award and (y) granted under the Plan or another equity or compensatory plan of the Company; or (C) any other action that is treated as a repricing under generally accepted accounting principles.

(c) Delegation to an Officer. The Board or the Committee may delegate to one or more Officers the authority to do one or both of the following (i) designate employees, consultants and advisors who are not Officers to be recipients of Awards the terms of such Awards (to the extent permitted by applicable law), and (ii) determine the number of shares of

Common Stock to be subject to such Awards granted to such recipients; *provided, however*, that the Board resolutions regarding such delegation will specify the total number of shares of Common Stock that may be subject to the Awards granted by such Officer and that such Officer may not grant an Award to himself or herself. Any such Awards will be granted on the form of Award Agreement most recently approved for use by the Committee or the Board, unless otherwise provided in the resolutions approving the delegation authority. The Board may not delegate authority to an Officer who is acting solely in the capacity of an Officer (and not also as a director) to determine the Fair Market Value of the Common Stock.

(d) Effect of Board's Decision. The Administrator's interpretation of the Plan, and all actions taken and determinations made by the Administrator pursuant to the power vested in it hereunder, shall be conclusive and binding on all parties concerned.

(e) Disclaimer of Liability. No member of the Board or the Committee shall be liable for any action taken or determination made in good faith in connection with the administration of the Plan. In the event the Board appoints a Committee as provided hereunder, any action of the Committee with respect to the administration of the Plan shall be taken pursuant to a majority vote of the Committee members or pursuant to the written resolution of all Committee members.

#### **SECTION 5. PARTICIPANTS**

(a) Eligibility. The Administrator shall from time to time, at its discretion and without approval of the stockholders, designate those employees, officers, directors, consultants, and advisors of the Company or of any Affiliate to whom Awards shall be granted under this Plan; *provided, however*, that consultants or advisors shall not be eligible to receive Awards hereunder unless such consultant or advisor renders bona fide services to the Company or any Affiliate and such services are not in connection with the offer or sale of securities in a capital raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities. The Administrator shall, from time to time, at its discretion and without approval of the stockholders, designate those employees of the Company or any Affiliate to whom Awards, including Incentive Stock Options shall be granted under this Plan. The Administrator may grant additional Awards, including Incentive Stock Options, under this Plan to some or all Participants then holding Awards, or may grant Awards solely or partially to new Participants. In designating Participants, the Administrator shall also determine the number of shares to be optioned or awarded to each such Participant and the performance criteria applicable to each Performance Award. The Administrator may from time to time designate individuals as being ineligible to participate in the Plan.

(b) Section 162(m) Limitations. Notwithstanding anything in the Plan to the contrary, for any Awards granted under the Plan that are intended to qualify as "performance- based compensation" under Code Section 162(m), the following limits will apply:

(i) In no event shall a Participant be granted Options or Stock Appreciation Rights during any fiscal year of the Company covering in the aggregate more than **One Million (1,000,000) shares of Stock**, subject to adjustment as provided in Section 15; provided,



however, that a share of Stock subject to a Stock Appreciation Right that is granted in tandem with an Option shall count as one share against this limitation.

(ii) In no event shall a Participant be granted Restricted Stock Awards or, to the extent payable in or measured by the value of shares of Stock, Restricted Stock Unit Awards during any fiscal year of the Company covering in the aggregate more than **One Million (1,000,000) shares of Stock**, subject to adjustment as provided in Section 15.

(iii) To the extent payable in or measured by the value of shares of Stock, in no event shall a Participant be granted Performance Awards during any fiscal year of the Company covering in the aggregate more than **One Million (1,000,000) shares of Stock**, subject to adjustment as provided in Section 15.

**SECTION 6.**  
**STOCK SUBJECT TO THE PLAN**

(a) Source of Stock. The Stock to be issued under this Plan shall consist of authorized but unissued shares of Common Stock, including shares repurchased by the Company on the open market or otherwise.

(b) Share Reserve.

(i) Subject to Section 14 of the Plan regarding capitalization adjustments, the maximum aggregate number of shares of Stock reserved and available for Awards under the Plan is  (the "**Share Reserve**").

(ii) All shares of Stock reserved and available under the Plan shall constitute the maximum aggregate number of shares of Stock that may be issued through Incentive Stock Options.

(iii) For clarity, the Share Reserve is a limitation on the number of shares of Common Stock that may be issued under the Plan, but not a limit on the number of Stock Awards that can be granted, since a single share may be subject to grant more than once if a share is forfeited or otherwise reverts to the Share Reserve as provided in Section 6(c) below.

(iv) Shares may be issued in connection with a merger or acquisition as permitted by NASDAQ Listing Rule 5635(c) or, if applicable, NYSE Listed Company Manual Section 303A.08, AMEX Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares available for issuance under the Plan.

(c) Reversion of Shares to the Share Reserve. The following shares of Stock shall continue to be reserved and available for Awards granted pursuant to the Plan: (i) any outstanding Award that expires for any reason, (ii) any portion of an outstanding Option or Stock Appreciation Right that is terminated prior to exercise, (iii) any portion of an Award that is forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required to vest such shares in the Participant, (iv) shares of Stock used to pay the

exercise price under any Award, (v) shares of Stock used to satisfy any tax withholding obligation attributable to any Award, whether such shares are withheld by the Company or tendered by the Participant, and (vi) shares of Stock covered by an Award to the extent the Award is settled in cash.

**SECTION 7.**  
**DURATION OF PLAN**

Incentive stock options may be granted pursuant to the Plan from time to time during a period of ten (10) years from the effective date as defined in Section 3. Other Awards may be granted pursuant to the Plan from time to time after the effective date of the Plan and until the Plan is discontinued or terminated by the Administrator.

**SECTION 8.**  
**PAYMENT**

(a) **Purchase Price for Options.** The purchase price of Common Stock acquired pursuant to the exercise of an Option may be paid, to the extent permitted by applicable law and as determined by the Administrator in its sole discretion, by any combination of the methods of payment set forth below. The Administrator may, in its sole discretion, limit the forms of payment available to the Participant and may exercise such discretion any time prior to the termination of the Option granted to the Participant or upon any exercise of the Option by the Participant. The permitted methods of payment are as follows:

- (i) in cash, with a personal check or certified check, or bank draft or money order payable to the Company,
- (ii) by the transfer from the Participant to the Company of previously owned shares of Common Stock,
- (iii) through the withholding of shares of Stock from the number of shares otherwise issuable upon the exercise of the Option (*e.g.*, a net share settlement),
- (iv) through broker-assisted cashless exercise, or
- (v) in any other form of legal consideration that may be acceptable to the Administrator and specified in the applicable Award Agreement.

(b) **Additional Rules for Payment with Stock.** Any stock tendered as part of such payment shall be valued at such stock's then Fair Market Value, or such other form of payment as may be authorized by the Administrator. In the event the Optionee elects to pay the exercise price in whole or in part with previously owned shares of Common Stock or through a net share settlement, the Fair Market Value of the shares of Stock delivered or withheld shall equal the total exercise price for the shares being purchased in such manner. "Previously-owned shares" means shares of the Company's Common Stock which the Participant has owned for at least six (6) months prior to the exercise of the Option, or for such other period of time, if any, as may be

required by generally accepted accounting principles. With respect to payment in the form of Common Stock of the Company, the Administrator may require advance approval or adopt such rules as it deems necessary to assure compliance with Rule 16b-3 under the Exchange Act, or any successor provision, if applicable.

**SECTION 9.**  
**TERMS AND CONDITIONS OF INCENTIVE STOCK OPTIONS**

Each Incentive Stock Option granted pursuant to this Section 9 shall be evidenced by a written Award Agreement (the "**Incentive Stock Option Agreement**"). The Incentive Stock Option Agreement shall be in such form as may be approved from time to time by the Administrator and may vary from Participant to Participant; provided, however, that each Participant and each Incentive Stock Option Agreement shall comply with and be subject to the following terms and conditions:

(a) Number of Shares and Option Price. The Incentive Stock Option Agreement shall state the total number of shares covered by the Incentive Stock Option. Except as permitted by Code Section 424(a), or any successor provision, the option price per share shall not be less than one hundred percent (100%) of the per share Fair Market Value of the Common Stock on the date the Administrator grants the Option; *provided, however*, that if a Participant owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of its Parent or any Subsidiary, the option price per share of an Incentive Stock Option granted to such Participant shall not be less than one hundred ten percent (110%) of the per share Fair Market Value of the Company's Common Stock on the date of the grant of the Option. The Administrator shall have full authority and discretion in establishing the option price and shall be fully protected in so doing.

(b) Term and Exercisability of Incentive Stock Option. The term during which any Incentive Stock Option granted under the Plan may be exercised shall be established in each case by the Administrator. Except as permitted by Code Section 424(a), in no event shall any Incentive Stock Option be exercisable during a term of more than ten (10) years after the date on which it is granted; *provided, however*, that if a Participant owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of its Parent or any Subsidiary, the Incentive Stock Option granted to such Participant shall be exercisable during a term of not more than five (5) years after the date on which it is granted.

The Incentive Stock Option Agreement shall state when the Incentive Stock Option becomes exercisable and shall also state the maximum term during which the Option may be exercised. In the event an Incentive Stock Option is exercisable immediately, the manner of exercise of the Option in the event it is not exercised in full immediately shall be specified in the Incentive Stock Option Agreement. The Administrator may accelerate the exercisability of any Incentive Stock Option granted hereunder which is not immediately exercisable as of the date of grant.

(c) Other Provisions. The Incentive Stock Option Agreement authorized under this Section 9 shall be deemed to incorporate the provisions of Section 14 and shall contain such

other provisions as the Administrator shall deem advisable. Any such Incentive Stock Option Agreement shall contain such limitations and restrictions upon the exercise of the Option as shall be necessary to ensure that such Option will be considered an "incentive stock option" as defined in Section 422 of the Internal Revenue Code or to conform to any change therein.

**SECTION 10.**  
**TERMS AND CONDITIONS OF NONQUALIFIED STOCK OPTIONS**

Each Nonqualified Stock Option granted pursuant to this Section 10 shall be evidenced by a written Award Agreement (a "**Nonqualified Stock Option Agreement**"). The Nonqualified Stock Option Agreement shall be in such form as may be approved from time to time by the Administrator and may vary from Participant to Participant; provided, however, that each Participant and each Nonqualified Stock Option Agreement shall comply with and be subject to the following terms and conditions:

- (a) Number of Shares and Option Price. The Nonqualified Stock Option Agreement shall state the total number of shares covered by the Nonqualified Stock Option. Unless otherwise determined by the Administrator, the option price per share shall be one hundred percent (100%) of the per share Fair Market Value of the Common Stock on the date the Administrator grants the Option.
- (b) Term and Exercisability of Nonqualified Stock Option. The term during which any Nonqualified Stock Option granted under the Plan may be exercised shall be established in each case by the Administrator. The Nonqualified Stock Option Agreement shall state when the Nonqualified Stock Option becomes exercisable and shall also state the maximum term during which the Option may be exercised. In the event a Nonqualified Stock Option is exercisable immediately, the manner of exercise of the Option in the event it is not exercised in full immediately shall be specified in the Nonqualified Stock Option Agreement. The Administrator may accelerate the exercisability of any Nonqualified Stock Option granted hereunder which is not immediately exercisable as of the date of grant.
- (c) Transferability. A Nonqualified Stock Option shall be transferable, in whole or in part, by the Participant by will or by the laws of descent and distribution. In addition, the Administrator may, in its sole discretion, permit the Participant to transfer any or all Nonqualified Stock Options to any member of the Participant's "immediate family" as such term is defined in Rule 16a-1(e) under the Exchange Act, or any successor provision, or to one or more trusts whose beneficiaries are members of such Participant's "immediate family" or partnerships in which such family members are the only partners; provided, however, that the Participant cannot receive any consideration for the transfer and such transferred Nonqualified Stock Option shall continue to be subject to the same terms and conditions as were applicable to such Nonqualified Stock Option immediately prior to its transfer.
- (d) Other Provisions. The Nonqualified Stock Option Agreement authorized under this Section 10 shall be deemed to incorporate the provisions of Section 14 and shall contain such other provisions as the Administrator shall deem advisable.

**SECTION 11.**  
**RESTRICTED STOCK AND RESTRICTED STOCK UNIT AWARDS**

Each Restricted Stock Award or Restricted Stock Unit Award granted pursuant to the Plan shall be evidenced by a written Award Agreement (the "**Restricted Stock Agreement**" or "**Restricted Stock Unit Agreement**," as the case may be). The Restricted Stock Agreement or Restricted Stock Unit Agreement shall be in such form as may be approved from time to time by the Administrator and may vary from Participant to Participant; *provided, however*, that each Participant and each Restricted Stock Agreement or Restricted Stock Unit Agreement shall comply with and be subject to the following terms and conditions:

(a) Number of Shares. The Restricted Stock Agreement or Restricted Stock Unit Agreement shall state the total number of shares of Stock covered by the Restricted Stock Award or Restricted Stock Unit Award.

(b) Risks of Forfeiture. The Restricted Stock Agreement or Restricted Stock Unit Agreement shall set forth the risks of forfeiture, if any, including risks of forfeiture based on Performance Objectives, which shall apply to the shares of Stock covered by the Restricted Stock Award or Restricted Stock Unit Award, and shall specify the manner in which such risks of forfeiture shall lapse. The Administrator may, in its sole discretion, modify the manner in which such risks of forfeiture shall lapse but only with respect to those shares of Stock which are restricted as of the effective date of the modification.

(c) Issuance of Shares; Rights as Stockholder.

(i) With respect to a Restricted Stock Award, the Company shall cause to be issued a stock certificate representing such shares of Stock in the Participant's name, and shall retain custody of such certificate until such time as the risks of forfeiture on such shares have lapsed. The Company may also place a legend on such certificate describing the risks of forfeiture and other transfer restrictions set forth in the Participant's Restricted Stock Agreement and providing for the cancellation and return of such certificate if the shares of Stock subject to the Restricted Stock Award are forfeited. Except as otherwise provided herein, the Participant shall have all the rights of a stockholder with respect to the shares of Stock subject to the Restricted Stock Award during the period in which the shares are subject to risks of forfeiture, including without limitation, the right to vote such shares and receive all dividends attributable to such shares. As the risks of forfeiture on the shares of Stock subject to the Restricted Stock Award lapse, the Company shall promptly deliver, upon the Participant's request, stock certificates that shall be free from any legend describing risks of forfeiture.

(ii) With respect to a Restricted Stock Unit Award, as the risks of forfeiture on the restricted stock units lapse, the Participant shall be entitled to payment of the Restricted Stock Units. The Administrator may, in its sole discretion, pay Restricted Stock Units in cash, shares of Stock or any combination thereof. If payment is made in shares of Stock, the Administrator shall cause to be issued one or more stock certificates in the Participant's name and shall deliver such certificates to the Participant in satisfaction of such restricted stock units. Until the risks of forfeiture on the restricted stock units have lapsed, the Participant shall not be

entitled to vote any shares of stock which may be acquired through the restricted stock units, shall not receive any dividends attributable to such shares, and shall not have any other rights as a stockholder with respect to such shares.

(d) Dividends and Dividend Equivalents. A Restricted Stock 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. Dividend equivalents may be credited in respect of shares of Common Stock covered by a Restricted Stock Unit Award, as determined by the Administrator and contained in the Restricted Stock Unit Agreement. At the sole discretion of the Administrator, 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 Administrator. Any additional shares covered by the Restricted Stock Unit Award credited by reason of such dividend equivalents will be subject to all of the same terms and conditions of the underlying Restricted Stock Unit Award Agreement to which they relate.

(e) Termination of Participant's Continuous Service. Except as otherwise provided in the applicable Award Agreement, such portion of the Restricted Stock Unit Award that has not vested will be subject to a repurchase right or forfeiture condition upon the Participant's termination of Continuous Service.

(f) Other Provisions. The Restricted Stock Agreement or Restricted Stock Unit Agreement authorized under this Section 11 shall be deemed to incorporate the provisions of Section 14 and shall contain such other provisions as the Administrator shall deem advisable.

## **SECTION 12.**

### **PERFORMANCE AWARDS**

Each Performance Award granted pursuant to this Section 12 shall be evidenced by a written Award Agreement (the "**Performance Award Agreement**"). The Performance Award Agreement shall be in such form as may be approved from time to time by the Administrator and may vary from Participant to Participant; *provided, however*, that each Participant and each Performance Award Agreement shall comply with and be subject to the following terms and conditions:

(a) Awards. Performance Awards in the form of Performance Units or Performance Shares may be granted to any Participant in the Plan. Performance Units shall consist of monetary awards which may be earned or become vested in whole or in part if the Company or the Participant achieves certain Performance Objectives established by the Administrator over a specified Performance Period. Performance Shares shall consist of shares of Stock or other Awards denominated in shares of Stock that may be earned or become vested in whole or in part if the Company or the Participant achieves certain Performance Objectives established by the Administrator over a specified Performance Period.

(b) Performance Objectives, Performance Period and Payment. The Performance Award Agreement shall set forth:

- cash);
- (i) the number of Performance Units or Performance Shares subject to the Performance Award, and the dollar value of each Performance Unit (if such award may be settled in cash);
  - (ii) one or more Performance Objectives established by the Administrator;
  - (iii) the Performance Period over which Performance Units or Performance Shares may be earned or may become vested;
  - (iv) the extent to which partial achievement of the Performance Objectives may result in a payment or vesting of the Performance Award, as determined by the Administrator;
- and
- (v) the date upon which payment of Performance Units will be made or Performance Shares will be issued, as the case may be, and the extent to which such payment or the receipt of such Performance Shares may be deferred.

(c) Determination of Performance Objective. For a given Performance Period, the one or more Performance Objective(s) may be expressed on a Company-wide basis, with respect to one or more business units, divisions, Affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise by the Board (i) in the Award Agreement at the time the Award is granted or (ii) in such other document setting forth the Performance Objective(s) at the time such objectives are established, the Board will appropriately make adjustments in the method of calculating the attainment of Performance Objectives for a Performance Period as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of any statutory adjustments to corporate tax rates; (5) to exclude the effects of any "extraordinary items" as determined under generally accepted accounting principles; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that any business divested by the Company achieved performance objectives at targeted levels during the balance of a Performance Period following such divestiture; (8) to exclude the effect of any change in the outstanding shares of common stock of the Company by reason of any Capitalization Adjustment, Change of Control or other similar corporate change; (9) to exclude the effects of stock based compensation and the award of bonuses under the Company's bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; (11) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles; and (12) to exclude the effect of any other unusual, non-recurring gain or loss or other extraordinary item. In addition, the Board retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of Performance Objective(s) and to define the manner of calculating the Performance Objective(s) it selects to use for such Performance Period. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the Award Agreement.

(d) **Section 162(m) Compliance.** Unless otherwise permitted in compliance with the requirements of Section 162(m) of the Code with respect to a Performance Award intended to qualify as "performance-based compensation" thereunder, the Committee will establish the Performance Objective(s) applicable to, and the formula for calculating the amount payable under, the Award no later than the earlier of (a) the date 90 days after the commencement of the applicable Performance Period, and (b) the date on which 25% of the Performance Period has elapsed, and in any event at a time when the achievement of the applicable Performance Objectives remains substantially uncertain. Prior to the payment of any compensation under an Award intended to qualify as "performance-based compensation" under Section 162(m) of the Code, the Committee will certify the extent to which any Performance Objective(s) and any other material terms under such Award have been satisfied (other than in cases where such relate solely to the increase in the value of the Common Stock). Notwithstanding satisfaction of any completion of any Performance Goals, the number of shares of Common Stock, Options, cash or other benefits granted, issued, retainable and/or vested under an Award on account of satisfaction of such Performance Objective(s) may be reduced by the Committee on the basis of such further considerations as the Committee, in its sole discretion, will determine.

(e) **Other Provisions.** The Performance Award Agreement authorized under this Section 12 shall be deemed to incorporate the provisions of Section 14 and shall contain such other provisions as the Administrator shall deem advisable.

### **SECTION 13. STOCK APPRECIATION RIGHTS**

Each Stock Appreciation Right granted pursuant to this Section 13 shall be evidenced by a written stock appreciation right agreement (the "**Stock Appreciation Right Agreement**"). The Stock Appreciation Right Agreement shall be in such form as may be approved from time to time by the Administrator and may vary from Participant to Participant; *provided, however*, that each Participant and each Stock Appreciation Right Agreement shall comply with and be subject to the following terms and conditions:

(a) **Awards.** A Stock Appreciation Right shall entitle the Participant to receive, upon exercise, cash, shares of Stock, or any combination thereof, having a value equal to the excess of (i) the Fair Market Value of a specified number of shares of Stock on the date of such exercise, over (ii) a specified exercise price. Unless otherwise determined by the Administrator, the specified exercise price shall not be less than 100% of the Fair Market Value of such shares of Stock on the date of grant of the Stock Appreciation Right.

(b) **Term and Exercisability.** The term during which any Stock Appreciation Right granted under the Plan may be exercised shall be established in each case by the Administrator. The Stock Appreciation Right Agreement shall state when the Stock Appreciation Right becomes exercisable and shall also state the maximum term during which such Stock Appreciation Right may be exercised. In the event a Stock Appreciation Right is exercisable immediately, the manner of exercise of such Stock Appreciation Right in the event it is not exercised in full immediately shall be specified in the Stock Appreciation Right Agreement. The



Administrator may accelerate the exercisability of any Stock Appreciation Right granted hereunder which is not immediately exercisable as of the date of grant.

(c) Other Provisions. The Stock Appreciation Right Agreement authorized under this Section 13 shall be deemed to incorporate the provisions of Section 14 and shall contain such other provisions as the Administrator shall deem advisable, including but not limited to any restrictions on the exercise of the Stock Appreciation Right which may be necessary to comply with Rule 16b-3 under the Exchange Act as then in effect.

**SECTION 14.**  
**OTHER TERMS OF AWARDS**

(a) No Rights as Stockholder. A Participant (or the Participant's successor or successors) shall have no rights as a stockholder with respect to any shares covered by an Option, Stock Appreciation Right or Restricted Stock Unit Award until the date of exercise or settlement with respect to such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property), distributions or other rights for which the record date is prior to the date of exercise or settlement of such Award (except as otherwise provided in the Award Agreement or Section 15 of the Plan).

(b) No Employment or Other Service Rights. Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or will 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.

(c) Transferability. The Administrator may, in its sole discretion, impose such limitations on the transferability of Awards as the Administrator will determine. In the absence of such a determination by the Administrator to the contrary, the following restrictions on the transferability of Awards will apply:

(i) Restrictions on Transfer. No Incentive Stock Option or Stock Appreciation Right will be transferable except by will or by the laws of descent and distribution (or pursuant to subsections (ii) and (iii) below), and will be exercisable during the lifetime of the Participant only by the Participant. No Restricted Stock Award or Restricted Stock Unit Award will be transferable prior to the date the risks of forfeiture described in the Restricted Stock Agreement or Restricted Stock Unit Agreement have lapsed. The Administrator may permit transfer of Nonqualified Stock Options in a manner that is not prohibited by applicable tax and securities laws and as provided by Section 10(c).

(ii) Domestic Relations Orders. Subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to the terms of a domestic relations order or official marital settlement agreement. 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. Subject to the approval of the Board or a duly authorized Officer, a Participant may, by delivering written notice to the Company, in a form approved by the Company (or the designated broker), designate a third party who, on the death of the Participant, will 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 will be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. However, the Company may prohibit designation of a beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of applicable laws.

(d) Termination for Cause. Except as explicitly provided otherwise in a Participant's Award Agreement, if a Participant's Continuous Service is terminated for Cause, an Option or Stock Appreciation Right will terminate upon the date on which the event giving rise to the termination for Cause first occurred, and the Participant will be prohibited from exercising his or her Option or Stock Appreciation Right from and after the date on which the event giving rise to the termination for Cause first occurred (or, if required by law, the date of termination of Continuous Service).

(e) Automatic Extension of Termination Date of Option or SAR. If the exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause and other than 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 will terminate on the earlier of (i) the expiration of a total period of three months (that need not be consecutive) 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, and (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Agreement. In addition, unless otherwise provided in a Participant's Award Agreement, if the sale of any Common Stock received on 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 will terminate on the earlier of (i) the expiration of a period of months (that need not be consecutive) equal to the applicable post-termination exercise period after the termination of the Participant's Continuous Service during which the sale of the Common Stock received upon 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 Award Agreement.

(f) Change in Time Commitment. In the event a Participant's regular level of time commitment in the performance of his or her services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an employee of the Company and the employee has a change in status from full-time to part-time) after the date of grant of any Award to the Participant, the Board has the right in its sole discretion to (x) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (y) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced.

(g) Withholding Taxes. The Company or its Affiliate shall be entitled to withhold and deduct from any future payments to the Participant all legally required amounts necessary to satisfy any and all withholding and employment-related taxes attributable to the Participant's Award. In the event the Participant is required under the terms of the Award to pay the Company or its Affiliate, or make arrangements satisfactory to the Company or its Affiliate respecting payment of, such withholding and employment-related taxes, the Administrator may, in its discretion and pursuant to such rules as it may adopt, permit the Participant to satisfy such obligation, in whole or in part, by delivering shares of the Company's Common Stock or by electing to have the Company withhold shares of Common Stock otherwise issuable to the Participant as a result of the exercise or settlement of the Award, or shares on which the risk of forfeiture has lapsed. Such shares shall have a Fair Market Value equal to the minimum required tax withholding, based on the minimum statutory withholding rates for federal and state tax purposes, including payroll taxes that are applicable to the supplemental income resulting from such exercise. In no event may the Participant deliver shares, nor may the Company or any Affiliate withhold shares, having a Fair Market Value in excess of such statutory minimum required tax withholding. Such election shall be approved by the Administrator and otherwise comply with such rules as the Administrator may adopt to assure compliance with Rule 16b-3 under the Exchange Act, or any successor provision, as then in effect, if applicable.

(h) Compliance with Section 409A. Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A of the Code, and, to the extent not so exempt, in compliance with Section 409A of the Code. If the Board determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A of the Code, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement. Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically provides otherwise), if the shares of Common Stock are publicly traded, and if a Participant holding an Award that constitutes "deferred compensation" under Section 409A of the Code is a "specified employee" for purposes of Section 409A of the Code, no distribution or payment of any amount that is due because of a "separation from service" (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be

issued or paid before the date that is six (6) months following the date of such Participant's "separation from service" or, if earlier, the date of the Participant's death, unless such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in a lump sum on the day after such six (6) month period elapses, with the balance paid thereafter on the original schedule.

(i) **No Obligation to Notify or Minimize Taxes.** The Company will have no duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award.

(j) **Clawback/Recovery.** All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of Cause.

#### SECTION 15.

##### **RECAPITALIZATION, SALE, MERGER, EXCHANGE OR LIQUIDATION**

(a) **Capitalization Adjustments.** In the event of a Capitalization Adjustment, the Board may, in its sole discretion, adjust the class thereof number of shares of Stock reserved under Section 6 hereof, the class, number of shares and, if applicable, the price per share of Stock covered by each outstanding Award, and the class and maximum number of shares that may be awarded to any person pursuant to limits on Awards contained in Section 5(b) to reflect such change. Additional shares which may become covered by the Award pursuant to such adjustment shall be subject to the same restrictions as are applicable to the shares with respect to which the adjustment relates.

(b) **Change of Control.** Unless otherwise provided in the agreement evidencing an Award, in the event of a Change of Control, the Board may provide for one or more of the following:

(i) the acceleration of the exercisability of any outstanding Options or Stock Appreciation Rights, the vesting and payment of any Performance Awards, or the lapsing of the risks of forfeiture on any Restricted Stock Awards or Restricted Stock Unit Awards;

(ii) the complete termination of this Plan, the cancellation of outstanding Options or Stock Appreciation Rights not exercised prior to a date specified by the Board (which date shall give Participants a reasonable period of time in which to exercise such Option or Stock

Appreciation Right prior to the effective date of such Change of Control), the cancellation of any Performance Award and the cancellation of any Restricted Stock Awards or Restricted Stock Unit Awards for which the risks of forfeiture have not lapsed;

(iii) that Participants holding outstanding Options and Stock Appreciation Rights shall receive, with respect to each share of Stock subject to such Option or Stock Appreciation Right, as of the effective date of any such Change of Control, cash in an amount equal to the excess of the Fair Market Value of such Stock on the date immediately preceding the effective date of such Change of Control over the price per share of such Options or Stock Appreciation Rights; provided that the Board may, in lieu of such cash payment, distribute to such Participants shares of Common Stock of the Company or shares of stock of any corporation succeeding the Company by reason of such Change of Control, such shares having a value equal to the amount specified in this Section 15(c);

(iv) that Participants holding outstanding Restricted Stock Awards, Restricted Stock Unit Awards and Performance Share Awards shall receive, with respect to each share of Stock subject to such Awards, as of the effective date of any such Change of Control, cash in an amount equal to the Fair Market Value of such Stock on the date immediately preceding the effective date of such Change of Control; provided that the Board may, in lieu of such cash payment, distribute to such Participants shares of Common Stock of the Company or shares of stock of any corporation succeeding the Company by reason of such Change of Control, such shares having a value equal to the amount specified in this Section 15(d);

(v) the continuance of the Plan with respect to the exercise of Options or Stock Appreciation Rights which were outstanding as of the date of adoption by the Board of such plan for such Change of Control and the right to exercise such Options and Stock Appreciation Rights as to an equivalent number of shares of stock of the corporation succeeding the Company by reason of such Change of Control;

(vi) the continuance of the Plan with respect to Restricted Stock Awards or Restricted Stock Unit Awards for which the risks of forfeiture have not lapsed as of the date of adoption by the Board of such plan for such Change of Control and the right to receive an equivalent number of shares of stock of the corporation succeeding the Company by reason of such Change of Control; and

(vii) the continuance of the Plan with respect to Performance Awards and, to the extent applicable, the right to receive an equivalent number of shares of stock of the corporation succeeding the Company by reason for such Change of Control.

The Board need not take the same action with respect to all Awards or with respect to all Participants. The Board may restrict the rights of or the applicability of this Section 15 to the extent necessary to comply with Section 16(b) of the Exchange Act, the Internal Revenue Code or any other applicable law or regulation.

(c) Dissolution or Liquidation. Except as otherwise provided in the Award Agreement, in the event of a dissolution or liquidation of the Company, all outstanding Awards

(other than Awards consisting of vested and outstanding shares of Common Stock not subject to a forfeiture condition or the Company's right of repurchase) will 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 Award is providing Continuous Service; *provided, however*, that the Board may, in its sole discretion, cause some or all 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.

(d) No Limit on Corporate Transactions. The grant of an Award pursuant to the Plan shall not limit in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge, exchange or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

**SECTION 16.**  
**INVESTMENT PURPOSE**

No shares of Stock shall be issued pursuant to the Plan unless and until there has been compliance, in the opinion of Company's counsel, with all applicable legal requirements, including without limitation, those relating to securities laws and stock exchange listing requirements. As a condition to the issuance of Stock to Participant, the Administrator may require Participant to (a) represent that the shares of Stock are being acquired for investment and not resale and to make such other representations as the Administrator shall deem necessary or appropriate to qualify the issuance of the shares as exempt from the Securities Act and any other applicable securities laws, and (b) represent that Participant shall not dispose of the shares of Stock in violation of the Securities Act or any other applicable securities laws.

As a further condition to the grant of any Option or the issuance of Stock to Participant, Participant agrees to the following:

(a) In the event the Company advises Participant that it plans an underwritten public offering of its Common Stock in compliance with the Securities Act and the underwriter(s) seek to impose restrictions under which certain stockholders may not sell or contract to sell or grant any option to buy or otherwise dispose of part or all of their stock purchase rights of the Common Stock underlying Awards, Participant will not, for a period not to exceed 180 days from the prospectus, sell or contract to sell or grant an option to buy or otherwise dispose of any Option granted to Participant pursuant to the Plan or any of the underlying shares of Common Stock without the prior written consent of the underwriter(s) or its representative(s).

(b) In the event the Company makes any public offering of its securities and determines in its sole discretion that it is necessary to reduce the number of issued but unexercised stock purchase rights so as to comply with any state's securities or Blue Sky law limitations with respect thereto, the Board of Directors of the Company shall have the right (i) to accelerate the exercisability of any Option and the date on which such Option must be exercised,

provided that the Company gives Participant prior written notice of such acceleration, and (ii) to cancel any Options or portions thereof which Participant does not exercise prior to or contemporaneously with such public offering.

(c) In the event of a Change of Control, Participant will comply with Rule 145 under the Securities Act and any other restrictions imposed under other applicable legal or accounting principles if Participant is an "affiliate" (as defined in such applicable legal and accounting principles) at the time of the transaction, and Participant will execute any documents necessary to ensure compliance with such rules.

The Company reserves the right to place a legend on any stock certificate issued in connection with an Award pursuant to the Plan to assure compliance with this Section 16.

**SECTION 17.**  
**AMENDMENT OF THE PLAN**

The Board may from time to time, insofar as permitted by law, suspend or discontinue the Plan or revise or amend it in any respect; *provided, however*, that no such revision or amendment, except as is authorized in Section 14, shall impair the terms and conditions of any Award which is outstanding on the date of such revision or amendment to the material detriment of the Participant without the consent of the Participant. Notwithstanding the foregoing, no such revision or amendment shall (i) materially increase the number of shares subject to the Plan except as provided in Section 15 hereof, (ii) change the designation of the class of employees eligible to receive Awards, (iii) decrease the price at which Options may be granted, or (iv) materially increase the benefits accruing to Participants under the Plan, in each case, without the approval of the stockholders of the Company if such approval is required for compliance with the requirements of any applicable law or regulation or the applicable rules and regulations of any stock exchange on which the Common Stock is then listed. Furthermore, the Plan may not, without the approval of the stockholders, be amended in any manner that will cause Incentive Stock Options to fail to meet the requirements of Section 422 of the Internal Revenue Code.

**SECTION 18.**  
**MISCELLANEOUS**

(a) Choice of Law. The law of the State of Delaware will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

(b) Use of Proceeds from Sales of Common Stock. Proceeds from the sale of shares of Common Stock pursuant to Awards will constitute general funds of the Company.

(c) Electronic Delivery. Any reference herein to a "written" agreement or document will include any agreement or document delivered electronically, filed publicly at [www.sec.gov](http://www.sec.gov) (or any successor website thereto) or posted on the Company's intranet.

(d) Securities Law Compliance. The Company will use commercially reasonable efforts to seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Awards and to issue and sell shares of Common Stock upon exercise of the Awards; *provided, however*, that this undertaking will not require the Company to register under applicable securities laws the Plan, any Award or any Common Stock issued or issuable pursuant to any such Stock Award. If, after reasonable efforts and at a reasonable cost, 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 will be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of an Award or the subsequent issuance of cash or Common Stock pursuant to the Award if such grant or issuance would be in violation of any applicable securities law.

(e) Corporate Action Constituting Grant of Awards. Corporate action constituting a grant by the Company of an Award to any Participant will 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 Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement as a result of a clerical error in the papering of the Award Agreement, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement.



**FIRST AMENDMENT  
OF THE KRONOS BIO, INC.  
2017 EQUITY INCENTIVE PLAN**

THIS FIRST AMENDMENT of the Kronos Bio, Inc. 2017 Equity Incentive Plan is dated as of May 1, 2018.

WHEREAS, the Board of Directors of Kronos Bio, Inc. (the "Company") has adopted and the stockholders of the Company have approved the Kronos Bio, Inc. 2017 Equity Incentive Plan (the "**Plan**"); and

WHEREAS, the Board of Directors deems it to be in the best interest of the Company to amend the Plan as more particularly set forth below.

NOW, THEREFORE, the Plan shall be amended as follows:

1. The second sentence of Section 6(b)(i) of the Plan shall be deleted in its entirety and the following substituted in lieu thereof:

Subject to Section 14 of the Plan regarding capitalization adjustments, the maximum aggregate number of shares of Stock reserved and available for Awards under the Plan is 1,500,000 (the "**Share Reserve**").

IN WITNESS WHEREOF, the undersigned representative of the Company certifies that the foregoing First Amendment of the Plan was duly adopted by the Board of Directors.

**KRONOS BIO, INC.**

By: /s/ David M. Tanen  
Name: David M. Tanen  
Title: Corporate Secretary

**SECOND AMENDMENT  
OF THE KRONOS BIO, INC.  
2017 EQUITY INCENTIVE PLAN**

THIS SECOND AMENDMENT of the Kronos Bio, Inc. 2017 Equity Incentive Plan is dated as of May 1, 2018.

WHEREAS, the Board of Directors of Kronos Bio, Inc. (the "**Company**") has adopted and the stockholders of the Company have approved the Kronos Bio, Inc. 2017 Equity Incentive Plan (the "**Plan**"); and

WHEREAS, the Board of Directors deems it to be in the best interest of the Company to amend the Plan as more particularly set forth below.

NOW, THEREFORE, the Plan shall be amended as follows:

1. The second sentence of Section 6(b)(i) of the Plan shall be deleted in its entirety and the following substituted in lieu thereof:

Subject to Section 14 of the Plan regarding capitalization adjustments, the maximum aggregate number of shares of Stock reserved and available for Awards under the Plan is 2,250,000 (the "**Share Reserve**").

IN WITNESS WHEREOF, the undersigned representative of the Company certifies that the foregoing First Amendment of the Plan was duly adopted by the Board of Directors.

**KRONOS BIO, INC.**

By: /s/ David M. Tanen  
Name: David M. Tanen  
Title: Corporate Secretary

**THIRD AMENDMENT  
OF THE KRONOS BIO, INC.  
2017 EQUITY INCENTIVE PLAN**

THIS THIRD AMENDMENT of the Kronos Bio, Inc. 2017 Equity Incentive Plan is dated as of May 1, 2018.

WHEREAS, the Board of Directors of Kronos Bio, Inc. (the "**Company**") has adopted and the stockholders of the Company have approved the Kronos Bio, Inc. 2017 Equity Incentive Plan (the "**Plan**"); and

WHEREAS, the Board of Directors deems it to be in the best interest of the Company to amend the Plan as more particularly set forth below.

NOW, THEREFORE, the Plan shall be amended as follows:

1. The second sentence of Section 6(b)(i) of the Plan shall be deleted in its entirety and the following substituted in lieu thereof:

Subject to Section 14 of the Plan regarding capitalization adjustments, the maximum aggregate number of shares of Stock reserved and available for Awards under the Plan is 3,500,000 (the "**Share Reserve**").

IN WITNESS WHEREOF, the undersigned representative of the Company certifies that the foregoing First Amendment of the Plan was duly adopted by the Board of Directors.

**KRONOS BIO, INC.**

By: /s/ David M. Tanen  
Name: David M. Tanen  
Title: Corporate Secretary

[INCENTIVE] [NON STATUTORY] STOCK OPTION AGREEMENT

KRONOS BIO, INC.  
2017 EQUITY INCENTIVE PLAN

THIS [INCENTIVE] [NON STATUTORY] STOCK OPTION AGREEMENT (this "Agreement") made and effective as of [DATE], 2017 (the "Effective Date") is entered into by and between KRONOS BIO, INC., a Delaware corporation (the "Company"), and [NAME] ("Participant").

WITNESSETH:

WHEREAS, Participant on the date hereof is the [TITLE] of the Company; and

WHEREAS, the Company wishes to grant an [incentive] [non-statutory] stock option to Participant to purchase shares of the Company's common stock, par value \$0.001 per share (the "Common Stock") pursuant to the Company's 2017 Equity Incentive Plan (the "Plan"); and

WHEREAS, the Administrator of the Plan has authorized the grant of an [incentive] [non-statutory] stock option to Participant and has determined that, as of the effective date of this Agreement, the fair market value of the Company's Common Stock is [PRICE] per share; and

WHEREAS, this option shall be "early exercisable".

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree as follows:

1. **Grant of Option.** The Company hereby grants to Participant the right and option (the "Option") to purchase all or a portion of an aggregate of [NUMBER] shares of Common Stock (the "Option Shares") at a per share price of [PRICE] (the "Exercise Price") on the terms and conditions set forth herein, and subject to adjustment pursuant to Section 14 of the Plan. This Option is intended to be an [incentive] [non-statutory] stock option within the meaning of Section 422, or any successor provision, of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder, to the extent permitted under Code Section 422(d).

2. **Duration and Exercisability; Vesting.**

(a) The term during which this Option may be exercised shall terminate on the date that is 10 years from the Initial Grant Date (the "Expiration Date"), except to the extent a shorter term is provided for below. This Option shall be immediately exercisable with respect to one hundred percent (100%) of the Option Shares and receive restricted shares of common stock of the Company (the "Restricted Shares"); provided, however, that the Restricted Shares will be subject to vesting in accordance with the schedule described in this Section 1(b) and, subject to Section 3 below, upon termination of the Participant's continuous service with the Company (whether as an employee, director or consultant), the Company shall have the right to repurchase any Restricted Shares that have not vested as of such termination ("Unvested Shares") at a price equal to the Exercise Price per Option Share (the "Repurchase Right") as set forth in Section 3 below.

(b) Subject to the provisions of Section 4 below, the Option Shares, or Restricted Shares, as applicable, shall vest, and the Repurchase Right shall lapse as follows:

- (i) Twenty five percent (25%) of the Option Shares shall vest upon [DATE], 2018 (the "Initial Vesting Date"); and thereafter
- (ii) the Option Shares shall vest upon or be deemed vested in 36 equal monthly installments as of the last calendar day of each month beginning on [DATE].

3. **Repurchase Right.**

(a) **Exercise of Repurchase Right.** At any time within 90 days after the Participant's Termination, the Company, or its assignee, may elect to repurchase all or any portion of the Unvested Shares by giving the Participant written notice of exercise of the Repurchase Right (the "Repurchase Notice"). The Repurchase Notice shall indicate the number of Unvested Shares to be repurchased and the date on which the repurchase is to be effected (the "Repurchase Date"), such date to be not more than 30 days after the date of the Repurchase Notice. The certificates representing the Unvested Shares to be repurchased shall be delivered to the Company or its assignee on the closing date specified for the repurchase in the Repurchase Notice.

(b) **Calculation of Repurchase Price for Unvested Shares.** The Company or its assignee shall have the option to repurchase from the Participant (or from the Participant's personal representative as the case may be) all or any portion of the Unvested Shares at an aggregate repurchase price (the "Repurchase Price") equal to the lesser of (i) the fair market value of such Unvested Shares as of the date of repurchase or (ii) the Exercise Price per share applicable to such Unvested Shares multiplied by the number of Unvested Shares to be repurchased.

(c) **Payment of Repurchase Price.** The Repurchase Price shall be paid in cash by check or wire transfer to the Participant on the Repurchase Date, upon the Company's or its assignee's receipt of the stock certificates representing the Unvested Shares to be repurchased.

4. **Termination.**

(a) Subject to Sections 4(b), (c) and (d) below, unless otherwise expressly provided for in a definitive employment agreement between the Company and the Participant, in the event that the Participant's employment is terminated, then upon such termination the vesting applicable to all unvested Option Shares shall cease immediately and the Participant shall have a period of 90 days to exercise the Option with respect to any and all vested Option Shares, after which time the Option shall expire.

(b) If Participant's position with the Company is terminated because of Participant's permanent disability (as defined in Code Section 22(e), or any successor provision), this Option shall terminate on the earlier of (i) the close of business on the date that is 180 days from such termination, and (ii) the expiration date of this Option stated in Paragraph 2 above. During such period following the termination of Participant's position with the Company, this Option shall be exercisable only to the extent the Option was vested upon the date of such termination, but had not previously been exercised. To the extent this Option was not vested upon the date of such termination, or if Participant does not exercise the Option within the time specified in this Paragraph 4(b), all rights of Participant under this Option shall be forfeited.

(c) In the event of Participant's death, this Option shall terminate on the earlier of (i) the close of business on the date that is 180 days from the date of Participant's death, and (ii) the

expiration date of this Option stated in Paragraph 2 above. During such period following Participant's death, this Option may be exercised by the person or persons to whom Participant's rights under this Option shall have passed by Participant's will or by the laws of descent and distribution only to the extent the Option was vested upon the date of Participant's death, but had not previously been exercised. To the extent this Option was not vested upon the date of Participant's death, or if such person or persons fail to exercise this Option within the time specified in this Paragraph 4(c), all rights under this Option shall be forfeited.

(d) In the event that the Participant's position with the Company is terminated at any time beginning on the day that is 90 days prior to the effective date of a Change of Control (as defined below) (the "Trigger Date") and ending on the date that is 12 months following the Trigger Date, then all unvested Option Shares shall immediately vest in full and the Option will remain exercisable for a period of 90 calendar days following the date of such termination, after which time the Option shall expire.

5. **Manner of Exercise.**

(a) **General.** The Option may be exercised only by Participant (or other proper party in the event of death or incapacity), subject to the conditions of the Plan and subject to such other administrative rules as the Administrator may deem advisable, by delivering to the Company at its principal office within the option period the Option Exercise Notice attached hereto as Appendix A (the "Notice"). The Notice shall be signed by the Participant and shall state the number of Option Shares as to which the Option is being exercised and shall be accompanied by payment in full of the Exercise Price for all Option Shares designated in the notice. The exercise of the Option shall be deemed effective upon receipt of such Notice by the Company and upon payment that complies with the terms of the Plan and this Agreement. The Option may be exercised with respect to any number or all of the Option Shares as to which it can then be exercised and, if partially exercised, may be so exercised as to the unexercised Option Shares any number of times during the option period as provided herein, provided, however, that this Option may not be exercised for a fraction of a share. A partial exercise of this Option will be deemed to cover first vested Option Shares, and then the earliest vesting installment of unvested Option Shares.

(b) **Form of Payment.** Subject to the approval of the Administrator, payment of the option price by Participant shall be in the form of wire transfer, personal check, or certified check, or any combination thereof.

(c) **Stock Transfer Records.** As soon as practicable after the effective exercise of all or any part of the Option, Participant shall be recorded on the stock transfer books of the Company as the owner of the Option Shares purchased; provided, however, that the Company shall place a notation on the Company's stock transfer records that the Option Shares are subject to the Company's Repurchase Right and other transfer restrictions as set forth in this Agreement. The Company may also place a legend on such certificates describing the Company's Repurchase Right and other transfer restrictions set forth in this Agreement. Subject to the terms and conditions of the Plan, the Participant shall have all the rights of a shareholder with respect to the Option Shares during the period in which the Option Shares are subject to the Company's Repurchase Right and other transfer restrictions, including without limitation, the right to vote the Option Shares and receive all dividends attributable to the Option Shares.

6. **Escrow of Unvested Stock.** As security for Participant's faithful performance of the terms of this Agreement and to insure the availability for delivery of the Unvested Shares upon exercise of the Repurchase Right, Participant agrees, at the closing of any exercise of this Option and the purchase of any

Unvested Shares, to deliver to and deposit with the Secretary of the Company or the Secretary's designee ("Escrow Agent"), as Escrow Agent, a certificate or certificates evidencing all of the Restricted Shares subject to the Repurchase Right. The Escrow Agent is hereby appointed to hold such certificate(s) in escrow and to take all such actions and to effectuate all such transfers and/or releases of such Restricted Shares as are in accordance with the terms of this Agreement. The Company and Participant agree that Escrow Agent will not be liable to any party to this Agreement (or to any other party) for any actions or omissions unless Escrow Agent is grossly negligent or intentionally fraudulent in carrying out the duties of Escrow Agent under this Agreement. Escrow Agent may rely upon any letter, notice or other document executed with any signature purported to be genuine and may rely on the advice of counsel and obey any order of any court with respect to the transactions contemplated by this Agreement. The Restricted Shares will be released from escrow upon termination of the Repurchase Right.

7. **Miscellaneous.**

(a) **Employment or Other Relationship; Rights as Shareholder.** This Agreement shall not confer on Participant any right with respect to the continuance of employment or any other relationship with the Company or any of its Subsidiaries, nor will it interfere in any way with the right of the Company to terminate such relationship. Participant shall have no rights as a shareholder with respect to the Option Shares until such Option Shares have been issued to Participant upon exercise of this Option and the Repurchase Right with respect to such Option Shares has lapsed. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property), distributions or other rights for which the record date is prior to the date such Option Shares are issued, except as provided in Section 14 of the Plan.

(b) **Securities Law Compliance.** The Participant agrees that, until such time as the Option Shares are registered and freely tradable under applicable state and federal securities laws, all Option Shares issued to Participant upon exercise of this Option shall be held for Participant's own account without a view to any further distribution thereof, that the certificates for such Option Shares shall bear an appropriate legend to that effect and that such Option Shares will be not transferred or disposed of except in compliance with applicable state and federal securities laws.

(c) **Mergers, Recapitalizations, Stock Splits, Etc.** Except as otherwise specifically provided in a written agreement between the Participant and the Company, pursuant and subject to Section 14 of the Plan, certain changes in the number or character of the Common Stock of the Company (through sale, merger, consolidation, exchange, reorganization, divestiture (including a spin-off), liquidation, recapitalization, stock split, stock dividend or otherwise) shall result in an adjustment, reduction or enlargement, as appropriate, in Participant's rights with respect to any unexercised portion of the Option; provided, however, that Participant shall not have "preemptive" rights.

(d) **Shares Reserved.** The Company shall at all times during the Option Term reserve and keep available such number of shares as will be sufficient to satisfy the requirements of this Agreement.

(e) **Withholding Taxes.** To permit the Company to comply with all applicable federal and state income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that, if necessary, all applicable federal and state payroll, income or other taxes are withheld from any amounts payable by the Company to Participant. If the Company is unable to withhold such federal and state taxes, for whatever reason, Participant hereby agrees to pay to the Company an amount equal to the amount the Company would otherwise be required to withhold under federal or state

law. Subject to such rules as the Administrator may adopt, the Administrator may, in its sole discretion, permit Participant to satisfy such withholding tax obligations, in whole or in part (i) by delivering shares of Common Stock, or (ii) by electing to have the Company withhold shares of Common Stock otherwise issuable to Participant, in either case having a Fair Market Value, as of the date the amount of tax to be withheld is determined under applicable tax law, equal to the minimum amount required to be withheld for tax purposes. Participant's request to deliver shares or to have shares withheld for purposes of such withholding tax obligations shall be made on or before the date that triggers such obligations or, if later, the date that the amount of tax to be withheld is determined under applicable tax law. Participant's request shall be approved by the Administrator and otherwise comply with such rules as the Administrator may adopt to assure compliance with Rule 16b-3 or any successor provision, as then in effect, of the General Rules and Regulations under the Securities and Exchange Act of 1934, if applicable.

(f) **Section 83(b) Election.** Participant understands that Section 83(a) of the Code taxes as ordinary income the difference between the amount paid for the Restricted Shares upon exercise of this Option and the Fair Market Value of the Common Stock as of the date any restrictions on the Restricted Shares lapse. In this context, "restriction" includes the right of the Company to buy back the Restricted Shares pursuant to the Repurchase Right set forth above. Participant understands that Participant may elect to be taxed at the time the Common Stock is purchased, rather than when and as the Repurchase Right expires, by filing an election under Section 83(b) (an "83(b) Election") of the Code with the Internal Revenue Service within thirty (30) days of the date of purchase. Even if the fair market value of the Common Stock at the time of the execution of this Agreement equals the amount paid for the Common Stock, the 83(b) Election must be made to avoid income under Section 83(a) in the future. Participant understands that failure to file such an 83(b) Election in a timely manner may result in adverse tax consequences for Participant. Participant further understands that Participant must file an additional copy of such 83(b) Election with his or her federal income tax return for the calendar year in which the date of this Agreement falls. Participant acknowledges that the foregoing is only a summary of the effect of United States federal income taxation with respect to purchase of the Common Stock hereunder, and does not purport to be complete. Participant further acknowledges that the Company has directed Participant to seek independent advice regarding the applicable provisions of the Code, the income tax laws of any municipality, state or foreign country in which Participant may reside, and the tax consequences of Participant's death. Participant assumes all responsibility for filing an 83(b) Election and paying all taxes resulting from such election or the lapse of the restrictions on the Common Stock.

(g) **Non-transferability.** During the lifetime of Participant, the Option shall be exercisable only by Participant or by the Participant's guardian or other legal representative, and shall not be assignable or transferable by Participant, in whole or in part, other than by will or by the laws of descent and distribution.

(h) **2017 Equity Incentive Plan.** The Option evidenced by this Agreement is granted pursuant to the Plan, a copy of which Plan has been made available to Participant and is hereby incorporated into this Agreement. This Agreement is subject to and in all respects limited and conditioned as provided in the Plan. All defined terms of the Plan shall have the same meaning when used in this Agreement. The Plan governs this Option and, in the event of any questions as to the construction of this Agreement or in the event of a conflict between the Plan and this Agreement, the Plan shall govern, except as otherwise provided herein or in the Plan.

(i) **Lock-up Period Limitation.** Participant agrees that in the event the Company advises Participant that it plans an underwritten public offering of its Common Stock in compliance with



the Securities Act of 1933, as amended (the "Securities Act"), and that the underwriter(s) seek to impose restrictions under which certain shareholders may not sell or contract to sell or grant any option to buy or otherwise dispose of part or all of their stock purchase rights of the underlying Common Stock, Participant hereby agrees that for a period not to exceed 180 days from the prospectus, Participant will not sell or contract to sell or grant an option to buy or otherwise dispose of this Option or any of the underlying shares of Common Stock without the prior written consent of the underwriter(s) or its representative(s). Participant further agrees to execute such other documents as may be requested by the underwriter(s) in order to evidence such lock-up agreement.

(j) **Blue Sky Limitation.** Notwithstanding anything in this Agreement to the contrary, in the event the Company makes any public offering of its securities and it is determined that it is necessary to reduce the number of issued but unexercised stock purchase rights so as to comply with any state securities or Blue Sky law limitations with respect thereto, and such determination is affirmed by the Board of Directors, unless the Board of Directors determines otherwise, and subject to the mutual agreement of the Company and Participant regarding the form of payment of the option price by Participant, (i) the exercisability of this Option and the date on which this Option must be exercised shall be accelerated, provided that the Company agrees to give Participant 15 days' prior written notice of such acceleration, and (ii) any portion of this Option or any other option granted to Participant pursuant to the Plan which is not exercised prior to or contemporaneously with such public offering shall be canceled.

(k) **Accounting Compliance.** Participant agrees that if a transaction subject to Rule 145 of the Securities Act occurs, and Participant is an "affiliate" of the Company or any Subsidiary (as defined in applicable legal and accounting principles) at the time of such transaction, Participant will comply with all requirements of Rule 145 and the requirements of such other legal or accounting principles, and will execute any documents necessary to ensure such compliance.

(l) **Stock Legend.** The Administrator may require that the certificates for any shares of Common Stock purchased by Participant (or, in the case of death, Participant's successors) shall bear an appropriate legend to reflect the restrictions of Paragraph 7(a) and Paragraphs 7(g) through 7(i) of this Agreement; provided, however, that failure to so endorse any of such certificates shall not render invalid or inapplicable Paragraph 7(a) or Paragraphs 7(g) through 7(i).

(m) **Scope of Agreement.** This Agreement shall bind and inure to the benefit of the Company and its successors and assigns and the Participant and any successor or successors of the Participant.

(n) **Governing Law.** This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware, without giving effect to its principles of conflicts of laws.

(o) **Participant Representations.** The Participant hereby represents and warrants that the Participant has reviewed with his own tax advisors the federal, state, and local tax consequences of the transactions contemplated by this Agreement. The Participant is relying solely on such advisors and not on any statements or representation of the Company or any of its agents. The Participant understands that she will be solely responsible for any tax liability that may result to her as a result of the transactions contemplated by this Agreement.

(p) **Notices.** All notices and other communications provided in this Agreement will be in writing and will be deemed to have been duly given when received by the party to whom it is directed at the following addresses:

If to the Company:

Kronos Bio, Inc.  
689 5<sup>th</sup> Avenue, 12<sup>th</sup> Floor  
New York, NY 10022

If to the Participant:

[NAME]  
[ADDRESS]

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first above written.

**KRONOS BIO, INC.**

**PARTICIPANT**

By: \_\_\_\_\_  
Name: David M. Tanen  
Title: Corporate Secretary  
Date:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date:

**KRONOS BIO, INC.  
2017 EQUITY INCENTIVE PLAN  
NOTICE OF OPTION EXERCISE**

Attention: Plan Administrator

1. Exercise of Option. The undersigned holds an option (the "Option") to purchase shares of common stock of Kronos Bio, Inc., a Delaware corporation (the "Company"). This Notice of Option Exercise constitutes notice pursuant to Section 4 of the Option that the undersigned hereby elects to exercise the Option and purchase the number of shares set forth below.

<b>Type of Option (check one):</b>	<input type="checkbox"/> Incentive	<input type="checkbox"/> Non-Qualified
<b>Date of Grant:</b>	_____	
<b>Number of Shares as to which Option is Exercised:</b>	_____	
<b>Per Share Exercise Price:</b>	\$ _____	
<b>Total Exercise Price:</b>	\$ _____	
<b>Certificates to be Issued in Name of:</b>	_____	
<b>Cash Payment Delivered Herewith:</b>	\$ _____	

2. Representations of Participant.

1. Participant acknowledges that Participant has received, read and understood the Plan and the Option and agrees to abide by and be bound by their respective terms and conditions.
2. Participant acknowledges that the shares of Common Stock being acquired upon exercise of the Option (the "Shares") have not been registered under the Securities Act of 1933, as amended (the "Act"), and may not be resold in the absence of an effective registration statement covering the resale of the Shares or an exemption therefrom.
3. Participant represent that the Shares are being acquired for investment a purposes and not with a view to, or any arrangements or understandings regarding, any subsequent distributions.
4. *[Participant understands that, in addition to any other limitation on transfer created by applicable securities laws, Participant may not sell, assign, hypothecate, donate, encumber or otherwise dispose of any interest in the Shares while any then-Unvested Shares are subject to the Repurchase Right (each as defined in the Option). After any Shares have been released from the Repurchase Right, Participant shall not sell, assign, hypothecate, donate, encumber or otherwise dispose of any interest in the Shares except in compliance with the provisions herein and applicable securities laws.]*

5. Participant understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares together with any other legends that may be required by state or federal laws:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE NOT TRANSFERABLE WITHOUT THE EXPRESS WRITTEN CONSENT OF KRONOS BIO, INC., (THE "COMPANY") AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR ANY APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS, AND MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED. ANY SUCH TRANSFER MAY ALSO BE SUBJECT TO APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

*[THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON RESALE AND TRANSFER, INCLUDING THE RIGHT OF REPURCHASE HELD BY THE ISSUER AND/OR ITS ASSIGNEE(S) AS SET FORTH IN AN OPTION AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH RESALE AND TRANSFER RESTRICTIONS INCLUDING THE RIGHT OF REPURCHASE ARE BINDING ON TRANSFEREES OF THESE SHARES.]*

6. Participant agrees that in the event the Company advises Participant that it plans an underwritten public offering of its Common Stock in compliance with the Act and that the underwriter(s) seek to impose restrictions under which certain shareholders may not sell or contract to sell or contract to sell or grant any option to buy or otherwise dispose of any or all of the Shares, Participant agrees that for a period not to exceed 180 days from the prospectus, Participant will not sell or contract to sell or grant an option to buy or otherwise dispose of any Shares without the prior written consent of the underwriter(s) or its representative(s).

**PARTICIPANT**

By:  
Name:  
Address: \_\_\_\_\_

Date: \_\_\_\_\_

**ACCEPTED:**

**KRONOS BIO, INC.**

By:  
Name:  
Title:  
Date:

**KRONOS BIO, INC.**  
**NOTICE OF EXERCISE**  
**(for early exercise of options only)**

Kronos Bio, Inc.  
1300 S. El Camino Real, Suite 300  
San Mateo, CA 94402

Date of Exercise: \_\_\_\_\_

**1. NOTICE OF EXERCISE.**

(a) This constitutes notice to **Kronos Bio, Inc.** (the "**Company**") under the stock option described below that I elect to purchase the below number of shares of Common Stock of the Company (the "**Shares**") for the price set forth below.

Type of option (check one):	Incentive <input type="checkbox"/>	Non-statutory <input type="checkbox"/>
Stock option dated:	_____	_____
Number of Shares as to which option is exercised:	_____	_____
Certificates to be issued in name of:	_____	_____
Total exercise price:	\$ _____	\$ _____
Cash payment delivered herewith:	\$ _____	\$ _____

(b) By this exercise, I agree (i) to provide such additional documents as the Company may require pursuant to the terms of the 2019 Equity Incentive Plan, (ii) to provide for the payment by me to you (in the manner designated by you) of your withholding obligation, if any, relating to the exercise of this option, and (iii) if this exercise relates to an incentive stock option, to notify you in writing within 15 days after the date of any disposition of any of the Shares issued upon exercise of this Option that occurs within two years after the date of grant of this option or within one year after such Shares are issued upon exercise of this option.

(c) I further agree that this Notice of Exercise may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

**2. REPRESENTATIONS AND WARRANTIES.** I hereby make the following representations and warranties with respect to the number of Shares listed above, which are being acquired by me for my own account upon exercise of the option as set forth above:

(a) I acknowledge 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. I warrant and represent to the Company that I have no present intention of distributing or selling said Shares, except as permitted under the Securities Act and any applicable state securities laws. I further acknowledge that there is not now, nor may there ever be, a market for the sale of the Shares.

(b) I agree not to assign, hypothecate, donate, encumber or otherwise dispose of any interest in the Shares except as permitted in compliance with the provisions of the Notice of Option Grant, the

Notice of Exercise, the Option Terms and Conditions and applicable securities laws. Furthermore, any shares for this the Unvested Shares (as defined in Section 3) shall be subject to the Repurchase Right and any right of first refusal in favor of the Company or its assignees that may be contained in the Company's Bylaws. The Company shall not be required (i) to transfer on its books any shares of the Unvested Shares which shall have been transferred in violation of any of the provisions set forth in this Agreement or (ii) to treat as owner of such shares or to accord the right to vote as such owner or to pay dividends to any transferee to whom such shares shall have been so transferred.

(c) I further acknowledge and agree that, except for such information, if any, as may be required to be delivered to me by the Company pursuant to the option or the Plan, I will have no right to receive any information from the Company by virtue of the grant of the Option or the purchase of shares of Common Stock through exercise of the Option, ownership of such Shares, or as a result of my being a holder of record of stock of the Company. Without limiting the foregoing, to the fullest extent permitted by law, I hereby waive all inspection rights under Section 220 of the Delaware General Corporation Law and all such similar information and/or inspection rights that may be provided under the law of any jurisdiction, or any federal, state or foreign regulation, that are, or may become, applicable to the Company or the Company's capital stock (the "**Inspection Rights**"). I hereby covenant and agree never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights.

(d) I further agree 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, the Shares may be subject to certain transfer restrictions during the Lock-Up Period as provided in Section 8 of the Option Terms and Conditions. I further agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters 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.

### 3. REPURCHASE RIGHT.

(a) I recognize, acknowledge and agree that any and all Shares received upon exercise of the Option that have not vested as of the Date of Exercise (as set forth above) shall be subject to the Company's Repurchase Right (defined below) and shall be referred to in this Notice of Exercise as "**Unvested Shares**".

(b) I recognize, acknowledge and agree that the Company's Repurchase Right shall lapse in accordance with the Vesting Schedule set forth on the Stock Option Grant Notice.

(c) At any time within 90 days after the date on which you are no longer employed by or provide service to the Company, the Company, or its assignee, may elect to repurchase all or any portion of the Unvested Shares (the "**Repurchase Right**") by giving you written notice of exercise of the Repurchase Right (the "**Repurchase Notice**"). The Repurchase Notice shall indicate the number of Unvested Shares to be repurchased and the date on which the repurchase is to be effected (the "**Repurchase Date**"), such date to be not more than 30 days after the date of the Repurchase Notice. The certificates representing the Unvested Shares to be repurchased shall be delivered to the Company or its assignee on the closing date specified for the repurchase in the Repurchase Notice.

(d) The Company or its assignee shall have the option to repurchase all or any portion of the Unvested Shares at an aggregate repurchase price (the "**Repurchase Price**") equal to the lesser of (i) the fair market value of such Unvested Shares as of the date of repurchase or (ii) the Exercise Price per share applicable to such Unvested Shares multiplied by the number of Unvested Shares to be repurchased.

(e) The Repurchase Price shall be paid to you in cash by check or wire transfer on the Repurchase Date, upon the Company's or its assignee's receipt of the stock certificates representing the Unvested Shares to be repurchased.

**4. RESTRICTIVE LEGENDS.** Transferee understands and agrees that the Company will place the legends set forth below or similar legends on any stock certificate(s) evidencing the Restricted Shares, together with any other legends that may be required by state or U.S. Federal securities laws, the Company's Certificate of Incorporation or Bylaws (in addition to any other legend which may be required by other agreements between the parties hereto):

*THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE NOT TRANSFERABLE WITHOUT THE EXPRESS WRITTEN CONSENT OF KRONOS BIO, INC., (THE "COMPANY") AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR ANY APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS, AND MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED. ANY SUCH TRANSFER MAY ALSO BE SUBJECT TO APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.*

*THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON RESALE AND TRANSFER, INCLUDING THE RIGHT OF REPURCHASE HELD BY THE ISSUER AND/OR ITS ASSIGNEE(S) AS SET FORTH IN AN OPTION AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH RESALE AND TRANSFER RESTRICTIONS INCLUDING THE RIGHT OF REPURCHASE ARE BINDING ON TRANSFEREES OF THESE SHARES.*

*THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A 180 DAY MARKET STANDOFF RESTRICTION AS SET FORTH IN A CERTAIN AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. AS A RESULT OF SUCH AGREEMENT, THESE SHARES MAY NOT BE TRADED PRIOR TO 180 DAYS AFTER THE EFFECTIVE DATE OF ANY PUBLIC OFFERING OF THE COMMON STOCK OF THE ISSUER HEREOF. SUCH RESTRICTION IS BINDING ON TRANSFEREES OF THESE SHARES.*



I further acknowledge that all certificates representing any of the Shares subject to the provisions of the option shall have endorsed thereon appropriate legends reflecting the foregoing limitations, as well as any legends reflecting restrictions pursuant to the Company's Certificate of Incorporation, Bylaws and/or applicable securities laws.

Very truly yours,

\_\_\_\_\_

(Signature)

\_\_\_\_\_

Name (Please Print)

Address of Record: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

**KRONOS BIO, INC.**  
**2017 EQUITY INCENTIVE PLAN**  
**RESTRICTED STOCK GRANT NOTICE**

Kronos Bio, Inc. (the "**Company**"), pursuant to Section 11 of the Company's 2017 Equity Incentive Plan (the "**Plan**"), hereby awards to Participant a Restricted Stock Award for the number of shares of the Company's Common Stock (the "**Restricted Stock**") set forth below (the "**Award**"). The Award is subject to all of the terms and conditions as set forth in this notice of grant (this "**Restricted Stock Grant Notice**") and in the Plan and the Restricted Stock Agreement (the "**Award Agreement**"), both of which are attached hereto and incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan or the Award Agreement. In the event of any conflict between the terms in the Award and the Plan, the terms of the Plan shall control unless explicitly otherwise provided.

Participant: \_\_\_\_\_  
ID: \_\_\_\_\_  
Date of Grant: \_\_\_\_\_  
Grant Number: \_\_\_\_\_  
Vesting Commencement Date: \_\_\_\_\_  
Number of Restricted Stock shares: \_\_\_\_\_

**Vesting Schedule:** (i) [\_\_\_\_\_] shares of Restricted Stock shall be fully vested on the Vesting Commencement Date; (ii) [\_\_\_\_\_] shares of Restricted Stock shall vest upon the first anniversary of the Vesting Commencement Date; and thereafter, (iii) [\_\_\_\_\_] shares of Restricted Stock shall vest in 36 substantially equal monthly installments on the last business day of each calendar month

**Additional Terms and Acknowledgements:** Participant acknowledges receipt of, and understands and agrees to, this Restricted Stock Grant Notice, the Award Agreement, and the Plan. Participant further acknowledges that as of the Date of Grant, this Restricted Stock Grant Notice, the Award Agreement and the Plan set forth the entire understanding between Participant and the Company regarding the acquisition of the Common Stock pursuant to the Award specified above and supersede all prior oral and written agreements on the terms of this Award with the exception, if applicable, of (i) the written employment agreement, offer letter or other written agreement entered into between the Company and Participant specifying the terms that should govern this specific Award, and (ii) any compensation recovery policy that is adopted by the Company or is otherwise required by applicable law.

*[All unvested Restricted Stock shall become one hundred percent (100%) vested upon the consummation of a Change of Control (as defined in the Plan) that occurs at any time prior to the date that the Company becomes a public reporting company.]*

*[Following such time as the Company becomes a public reporting company, all unvested Restricted Stock shall vest immediately in the event that Participant's Continuous Service is terminated without Cause or by Participant for Good Reason (as defined in that certain Employment Letter between Participant and the Company dated [DATE] (the "Employment Letter"), in either case, at any time beginning on the date that is 90 days prior to the effective date of a Change of Control (as defined in the Plan) and ending on the date that is 12 months following the Change of Control (or after the Outside Date, as defined in the Employment Letter, if for Good Reason).]*

By accepting this Award, Participant acknowledges having received and read this Restricted Stock Grant Notice, the Award Agreement and the Plan and agrees to all of the terms and conditions set forth in these documents. Participant consents to receive Plan documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

**KRONOS BIO, INC.**

**PARTICIPANT**

By: \_\_\_\_\_  
Signature

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

Name: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTACHMENTS:** Award Agreement and 2017 Equity Incentive Plan

**KRONOS BIO, INC.**  
**2017 EQUITY INCENTIVE PLAN**  
**RESTRICTED STOCK AWARD AGREEMENT**

Pursuant to the Restricted Stock Grant Notice (the "**Grant Notice**") and this Restricted Stock Award Agreement (the "**Award Agreement**") and in consideration of your services, Kronos Bio, Inc. (the "**Company**") has awarded you ("**Participant**") a Restricted Stock Award (the "**Award**") pursuant to Section 11 of the Company's 2017 Equity Incentive Plan (the "**Plan**") for the number of shares of Restricted Stock indicated in the Grant Notice. Capitalized terms not explicitly defined in this Award Agreement or the Grant Notice shall have the same meanings given to them in the Plan. The terms of your Award, in addition to those set forth in the Grant Notice, are as follows.

**1. GRANT OF THE AWARD.** Subject to the terms of this Award Agreement, the Grant Notice and the Plan, the Company hereby grants to Participant an Award with respect to the number of shares of Restricted Stock of the Company set forth on the Grant Notice.

**2. VESTING.** Subject to the limitations contained herein, your Award will vest, if at all, in accordance with the Vesting Schedule and the Additional Terms and Acknowledgements provided in the Grant Notice, provided that vesting will cease upon the termination of your Continuous Service. Upon such termination of your Continuous Service, the shares of Restricted Stock that were not vested on the date of such termination will be forfeited at no cost to the Company and you will have no further right, title or interest in or to such underlying shares of Common Stock.

**3. NUMBER OF SHARES.** The number of shares of Restricted Stock subject to your Award may be adjusted from time to time for Capitalization Adjustments, as provided in the Plan. Any additional Restricted Stock, cash or other property that becomes subject to the Award pursuant to this Section 3 shall be subject, in a manner determined by the Board, to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other shares of Restricted Stock covered by your Award. Notwithstanding the provisions of this Section 3, no fractional shares or rights for fractional shares of Common Stock shall be created pursuant to this Section 3. Any fraction of a share will be rounded down to the nearest whole share.

**4. TRANSFER RESTRICTIONS.** Prior to the time that shares of Restricted Stock have become vested pursuant to Section 2 hereof, you may not transfer, pledge, sell or otherwise dispose of this Award or the Restricted Stock issuable in respect of your Award, except as expressly provided in this Section 4. For example, you may not use any shares of unvested Restricted Stock as security for a loan. The restrictions on transfer set forth herein will lapse with respect to any and all shares of Restricted Stock that have vested. Notwithstanding the foregoing, by delivering written notice to the Company, in a form satisfactory to the Company, you may designate a third party who, in the event of your death, shall thereafter be entitled to receive any distribution of Common Stock to which you were entitled at the time of your death pursuant to

this Award Agreement. In the absence of such a designation, your legal representative will be entitled to receive, on behalf of your estate, such Common Stock or other consideration.

(a) **Death.** Your Award is transferable by will and by the laws of descent and distribution. At your death, vesting of your Award will cease and your executor or administrator of your estate shall be entitled to receive, on behalf of your estate, any Common Stock or other consideration that vested but was not issued before your death.

(b) **Domestic Relations Orders.** Upon receiving written permission from the Board or its duly authorized designee, and provided that you and the designated transferee enter into transfer and other agreements required by the Company, you may transfer your Award and Restricted Stock pursuant to a domestic relations order or marital settlement agreement that contains the information required by the Company to effectuate the transfer.

5. **DIVIDENDS AND VOTING RIGHTS.** Participant shall be entitled to cash dividends and voting rights with respect to the shares of Restricted Stock subject to the Award even though such shares are not vested, provided that such rights shall terminate immediately as to any shares of Restricted Stock that are forfeited following termination of your Continuous Service with the Company.

6. **STOCK CERTIFICATES.**

(a) **Book Entry Form.** The Company shall issue the shares of Restricted Stock subject to the Award either: (a) in certificate form as provided in Section 6(b) below; or (b) in book entry form, registered in the name of the Participant with notations regarding the applicable restrictions on transfer imposed under this Award Agreement.

(b) **Certificates to be Held by Company; Legend.** Any certificates representing shares of Restricted Stock that may be delivered to the Participant by the Company prior to vesting shall be redelivered to the Company to be held by the Company until the restrictions on such shares shall have lapsed and the shares shall thereby have become vested or the shares represented thereby have been forfeited hereunder. Such certificates shall bear appropriate restrictive legends, including the following legend:

“THE SALE, PLEDGE, HYPOTHECATION, OR TRANSFER OF THE SECURITIES REPRESENTED HEREBY AND ANY INTEREST HEREIN IS, AND IN CERTAIN CASES PROHIBITED BY, THE TERMS AND CONDITIONS OF RESTRICTED STOCK AWARD AGREEMENT ENTERED INTO BETWEEN THE REGISTERED OWNER AND KRONOS BIO, Inc. A COPY OF SUCH AGREEMENT IS ON FILE IN THE OFFICE OF THE SECRETARY OF KRONOS BIO, INC.”

(c) **Delivery of Certificates Upon Vesting.** Promptly after the vesting of any shares of Restricted Stock pursuant to Section 2 hereof, the Company shall, as applicable, either remove the notations on any shares of Restricted Stock issued in book entry form which have vested or deliver to the Participant a certificate or certificates evidencing the number of shares of Restricted Stock which have vested. The Participant (or the beneficiary or personal

representative of the Participant in the event of the Participant's death or disability, as the case may be) shall deliver to the Company any representations or other documents or assurances as the Company may determine to be necessary or reasonably advisable in order to ensure compliance with applicable laws with respect to the grant of the Award and deliver of shares of Common Stock in respect thereof. The shares so delivered shall no longer be restricted shares hereunder.

**7. EXECUTION OF DOCUMENTS.** You hereby acknowledge and agree that the manner selected by the Company by which you indicate your consent to your Grant Notice is also deemed to be your execution of your Grant Notice and of this Award Agreement. You further agree that such manner of indicating consent may be relied upon as your signature for establishing your execution of any documents to be executed in the future in connection with your Award.

**8. AWARD NOT A SERVICE CONTRACT.**

(a) Nothing in this Award Agreement (including, but not limited to, the vesting of your Award or the issuance of the shares subject to your Award), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Award Agreement or the Plan shall: (i) confer upon you any right to continue in the employ of, or affiliation with, the Company or an Affiliate; (ii) constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation; (iii) confer any right or benefit under this Award Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Award Agreement or Plan; or (iv) deprive the Company of the right to terminate you at will and without regard to any future vesting opportunity that you may have.

(b) The Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Affiliates at any time or from time to time, as it deems appropriate (a "**reorganization**"). Such a reorganization could result in the termination of your Continuous Service, or the termination of Affiliate status of your employer and (except to the extent specifically provided otherwise either in the Grant Notice or the Employment Letter) the loss of benefits available to you under this Award Agreement, including but not limited to, the termination of the right to continue vesting in the Award. This Award Agreement, the Plan, the transactions contemplated hereunder and the vesting schedule set forth herein or any covenant of good faith and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued engagement as an employee or consultant for the term of this Award Agreement, for any period, or at all, and shall not interfere in any way with the Company's right to conduct a reorganization.

**9. TAX WITHHOLDING.** The Company shall be entitled to require a cash payment by or on behalf of the Participant and/or to deduct from other compensation payable to the Participant any sums required by federal, state or local tax law to be withheld with respect to the vesting of any Restricted Stock. Alternatively, the Participant or other person in whom the Restricted Stock vests may irrevocably elect, in such manner and at such time or times prior to

any applicable tax date, to have the Company withhold and reacquire shares of Restricted Stock at their fair market value at the time of vesting to satisfy any withholding obligations of the Company or its Subsidiaries with respect to such vesting. Any election to have shares so held back and reacquired shall be subject to such rules and procedures, which may include prior approval of the Administrator, as the Administrator may impose, and shall not be available if the Participant makes or has made an election pursuant to Section 83(b) of the Code with respect to such Award.

**10. SECTION 83(B) ELECTION FOR RESTRICTED STOCK AWARD; INDEPENDENT TAX ADVICE.**

(a) Under Section 83(a) of the Internal Revenue Code (the "**Code**"), the Participant will be taxed on the shares of Restricted Stock on the date such shares vest as set forth in Section 2 of this Award Agreement, based on the fair market value of such shares on such date, at ordinary income rates subject to payroll and withholding tax and tax reporting, as applicable. For this purpose, the term "forfeiture restrictions" means the right of the Company to receive back any unvested Restricted Stock upon termination of Continuous Service. Under Section 83(b) of the Code, the Participant may elect to be taxed on the shares of Restricted Stock on the Grant Date, based upon their fair market value on such date, at ordinary income rates subject to payroll and withholding tax and tax reporting, rather than when and as the unvested shares of Restricted Stock become vested. If Participant elects to accelerate the date on which he or she is taxed on the Restricted Stock under Section 83(b), an election (an "**83(b) Election**") to such effect must be filed with the Internal Revenue Service within 30 days from the Grant Date of the Award and applicable withholding taxes must be paid to the Company at that time.

(b) There are significant risks associated with the decision to make an 83(b) Election. If the Participant makes an 83(b) Election and the unvested shares of Restricted Stock are subsequently forfeited to the Company, the Participant will not be entitled to recover the taxes paid by claiming a deduction for the ordinary income previously recognized as a result of the 83(b) Election. If the Participant makes an 83(b) Election and the value of the unvested shares of Restricted Stock subsequently declines, the 83(b) Election may cause the Participant to recognize more compensation income than otherwise would have been the case. Alternatively, if the value of the unvested shares of Restricted Stock increases and the Participant has not made an 83(b) Election, Participant may recognize more compensation income than otherwise would have been the case.

(c) The foregoing is only a summary of the federal income tax laws that apply to the Restricted Stock under this Award Agreement and does not purport to be complete. The actual tax consequences of receiving or disposing of the Shares are complicated and depend, in part, on the Participant's specific situation and may also depend on the resolution of currently uncertain tax law and other variables not within the control of the Company. **THEREFORE, THE PARTICIPANT SHOULD SEEK INDEPENDENT ADVICE REGARDING THE APPLICABLE PROVISIONS OF THE FEDERAL TAX LAW AND THE INCOME TAX LAWS OF ANY MUNICIPALITY, STATE OR FOREIGN COUNTRY TO WHICH THE PARTICIPANT IS SUBJECT.** By accepting this Agreement, Participant acknowledges and

agrees that he or she has either consulted with a competent tax advisor independent of the Company to obtain tax advice concerning the Restricted Stock in light of the Participant's specific situation or has had the opportunity to consult with such a tax advisor and has chosen not to do so.

(d) The form for making an 83(b) Election is available from the Company. If the Participant determines to make an 83(b) Election, it is the Participant's responsibility to file such an election with the Internal Revenue Service within the 30-day period after the Grant Date, to deliver to the Company a signed copy of the 83(b) Election, to file an additional copy of such election form with the Participant's federal income tax return for the calendar year in which the Grant Date occurs and to pay applicable withholding taxes to the Company at that time.

**11. NOTICES.** Any notice or request required or permitted hereunder shall be given in writing to each of the other parties hereto and shall be deemed effectively given on the earlier of (i) the date of personal delivery, including delivery by express courier, or delivery via electronic means, or (ii) the date that is five (5) days after deposit in the United States Post Office (whether or not actually received by the addressee), by registered or certified mail with postage and fees prepaid, addressed at the following addresses, or at such other address(es) as a party may designate by ten (10) days' advance written notice to each of the other parties hereto:

**COMPANY:**

Kronos Bio, Inc.  
Attn: Corporate Counsel  
1300 S. El Camino Real, Suite 300  
San Mateo, CA 94402

**PARTICIPANT:**

Your address as on file with the Company  
at the time notice is given

**12. HEADINGS.** The headings of the Sections in this Award Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Award Agreement or to affect the meaning of this Award Agreement.

**13. ADDITIONAL ACKNOWLEDGEMENTS.** You hereby consent and acknowledge that:

(a) Participation in the Plan is voluntary and therefore you must accept the terms and conditions of the Plan and this Award Agreement and Grant Notice as a condition to participating in the Plan and receipt of this Award. This Award and any other awards under the Plan are voluntary and occasional and do not create any contractual or other right to receive future awards or other benefits in lieu of future awards, even if similar awards have been granted repeatedly in the past. All determinations with respect to any such future awards, including, but not limited to, the time or times when such awards are made, the size of such awards and performance and other conditions applied to the awards, will be at the sole discretion of the Company.



(b) The future value of your Award is unknown and cannot be predicted with certainty. You do not have, and will not assert, any claim or entitlement to compensation, indemnity or damages arising from the termination of this Award or diminution in value of this Award and you irrevocably release the Company, its Affiliates and, if applicable, your employer, if different from the Company, from any such claim that may arise.

(c) The rights and obligations of the Company under your Award shall be transferable by the Company to any one or more persons or entities, and all covenants and agreements hereunder shall inure to the benefit of, and be enforceable by, the Company's successors and assigns.

(d) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(e) You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award and fully understand all provisions of your Award.

(f) This Award Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(g) All obligations of the Company under the Plan and this Award Agreement shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

**14. GOVERNING PLAN DOCUMENT.** Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. Your Award (and any compensation paid or shares issued under your Award) is subject to recoupment in accordance with The Dodd-Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company and any compensation recovery policy otherwise required by applicable law. No recovery of compensation under such a clawback policy will be an event giving rise to a right to voluntarily terminate employment upon a resignation for "good reason," or for a "constructive termination" or any similar term under any plan of or agreement with the Company.

**15. EFFECT ON OTHER EMPLOYEE BENEFIT PLANS.** The value of the Award subject to this Award Agreement shall not be included as compensation, earnings, salaries, or other similar terms used when calculating benefits under any employee benefit plan (other than the Plan) sponsored by the Company or any Affiliate except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any or all of the employee benefit plans of the Company or any Affiliate.

**16. CHOICE OF LAW.** The interpretation, performance and enforcement of this Award Agreement shall be governed by the law of the State of Delaware without regard to that state's conflicts of laws rules.

**17. SEVERABILITY.** If all or any part of this Award Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Award Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Award Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

**18. AMENDMENT.** This Award Agreement may not be modified, amended or terminated except by an instrument in writing, signed by you and by a duly authorized representative of the Company. Notwithstanding the foregoing, this Award Agreement may be amended solely by the Board by a writing which specifically states that it is amending this Award Agreement, so long as a copy of such amendment is delivered to you, and provided that, except as otherwise expressly provided in the Plan, no such amendment materially adversely affecting your rights hereunder may be made without your written consent. Without limiting the foregoing, the Board reserves the right to change, by written notice to you, the provisions of this Award Agreement in any way it may deem necessary or advisable to carry out the purpose of the Award as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change shall be applicable only to rights relating to that portion of the Award which is then subject to restrictions as provided herein.

**19. COMPLIANCE WITH SECTION 409A OF THE CODE.** This Award is intended to comply with the "short-term deferral" rule set forth in Treasury Regulation Section 1.409A-1(b)(4). Notwithstanding the foregoing, if it is determined that the Award fails to satisfy the requirements of the short-term deferral rule and is otherwise deferred compensation subject to Section 409A, and if you are a "Specified Employee" (within the meaning set forth in Section 409A(a)(2)(B)(i) of the Code) as of the date of your "separation from service" (within the meaning of Treasury Regulation Section 1.409A-1(h) and without regard to any alternative definition thereunder), then the issuance of any shares that would otherwise be made upon the date of the separation from service or within the first six (6) months thereafter will not be made on the originally scheduled date(s) and will instead be issued in a lump sum on the earlier of: (i) the fifth business day following your death, or (ii) the date that is six (6) months and one day after the date of the separation from service, with the balance of the shares issued thereafter in accordance with the original vesting and issuance schedule set forth above, but if and only if such delay in the issuance of the shares is necessary to avoid the imposition of adverse taxation on you in respect of the shares under Section 409A of the Code. Each installment of shares that vests is intended to constitute a "separate payment" for purposes of Treasury Regulation Section 1.409A-2(b)(2).

\* \* \* \* \*

This Award Agreement shall be deemed to be signed by the Company and the Participant upon the signing or electronic acceptance by the Participant of the Restricted Stock Grant Notice to which it is attached.

April 30, 2018

Norbert Bischofberger, Ph.D.

Re: Employment Letter

Dear Norbert:

Kronos Bio, Inc. ("**Kronos**" or the "**Company**") is pleased to offer you the position of President and Chief Executive Officer, on the following terms and conditions:

1. Title; Reporting; Duties.

- (a) You shall serve as the Company's President and Chief Executive Officer and shall be appointed to, and made a member of, the Board of Directors (the "**Board**"). During the Term of this Agreement (as defined below) you shall report directly to the Board and shall have such duties and authority as are consistent with the position of Chief Executive Officer of a company of similar size and nature, including, but not limited to:
- (i) Developing drug discovery, preclinical, clinical, regulatory and business strategy of the Company and managing its implementation;
  - (ii) Overseeing corporate hiring and supervising the performance of management;
  - (iii) Maintaining active, honest communication with Board of Directors;
  - (iv) Recruiting and maintaining an active dialogue with Scientific Advisors, key consultants, and academic collaborators;
  - (v) Developing and maintaining strong relationships with key investor base, industry partners, potential industry partners, media, analysts and the general public on behalf of the Company;
  - (vi) Enhancing corporate visibility through active participation in investor meetings and industry conferences;
  - (vii) Identifying and assessing new commercial opportunities; and
  - (viii) Managing and leading corporate financing activities, public relations and intellectual property portfolio.
- (b) Except as provided in Section 2 of this Agreement, you shall devote substantially all of your business time, attention and energies to the business and affairs of the Company and shall not during the term of your employment be actively engaged in any other business activity, whether or not such business activity is pursued for gain, profit or other pecuniary advantage, that will materially interfere with the performance of your duties or your availability to perform such duties or that will adversely affect, or negatively reflect upon, the Company. You shall provide notice to the Board of any outside business activities that you may wish to pursue during the term of your employment with Kronos. Any outside business activities that you may wish to pursue during the term of your employment with Kronos that will materially interfere with the performance of your duties or your availability to perform such duties shall require the prior written consent of the Board. Notwithstanding the foregoing, you may continue to provide services to the entities set forth on Appendix A, attached hereto and made a part hereof, in the capacity set forth thereon. Appendix A may be amended from time to time by the parties; provided that the Company's consent to any amendment to Appendix A shall not be unreasonably withheld.

- (c) Your duties shall be performed primarily in the San Francisco Bay Area, or such other place as the parties may agree.
2. **Term.** Your employment shall commence on a part-time basis on May 1, 2018 (your "**Start Date**"). During the period between May 1, 2018 and July 31, 2018 the parties acknowledge and agree that you may continue to provide services to Gilead Sciences. Commencing August 1, 2018, you shall perform your duties hereunder on a full-time basis.
3. **Compensation.**
- (a) **Base Salary.** You shall receive an annual base salary equal to Two Hundred Thousand dollars (\$200,000), which shall be payable in accordance with the Company's payroll practices.
- (b) **Performance Bonus.** You shall be entitled to receive an annual cash bonus (the "**Performance Bonus**") of up to 40% of your Base Salary upon exceptional performance, which will be based upon the achievement of mutually agreed upon performance milestones, which will be amended annually no later than 30 days prior to the end of each calendar year (the "**Performance Milestones**"). Any Performance Bonus paid to you for the calendar year 2018 shall be pro-rated.
- (c) **Withholding.** Except as expressly stated otherwise, the Company shall withhold all applicable federal, state and local taxes and social security and such other amounts as may be required by law from all amounts payable under this Section 3.
4. **Equity Awards.**
- (a) On or within thirty (30) days following your Start Date you shall be granted a stock option (the "**Option**") to purchase a number of shares common stock of the Company (the "**Common Stock**") equal to seven percent (7%) of the outstanding shares of Common Stock on a Fully Diluted Basis (the "**Option Shares**") pursuant to the Company's 2017 Equity Incentive Plan (the "**Plan**"). Such grant shall be evidenced by an option agreement (the "**Option Agreement**") to be entered into by and between you and the Company. The exercise price per Option Share will be equal to the fair market value per share of the Company's Common Stock as of the date that such Option is granted by the Board. The Option shall have a 10-year term and shall vest and become exercisable as follows: (i) 25% upon the first anniversary date of your Start Date (the "**Initial Vesting Date**"); and thereafter (ii) the remaining unvested Options Shares shall vest in 36 substantially equal monthly installments as of the last calendar day of each month following the Initial Vesting Date.
- (b) If, following the closing of the first equity financing or series of equity financings in which the Company receives aggregate gross proceeds of at least \$10,000,000 (inclusive of the conversion of currently outstanding Convertible Promissory Notes of the Company) (a "**Qualified Financing**"), and immediately following such transactions the number of shares of Common Stock subject to your Options is less than seven percent (7%) of the then outstanding shares of Common Stock on a Fully Diluted Basis, you shall be granted an additional stock option to purchase that number of shares of Common Stock such that immediately following such grant(s) the number of shares of Common Stock subject to such additional stock options together with the number of shares subject to the Options shall not be less than seven percent (7%) of the then outstanding shares of Common Stock on a Fully Diluted Basis. Any additional stock options granted pursuant to this

Section 4(b) shall each constitute an "Option" for purposes of this Agreement once granted; including without limitation Section 4(d).

- (c) All Options shall be immediately exercisable with respect to one hundred percent (100%) of the Option Shares in exchange for restricted shares of Common Stock of the Company (the "**Restricted Shares**"); provided, however, that the Restricted Shares will be subject to vesting in accordance with the schedule described above. Upon termination of your employment, the Company shall have the right to repurchase any Restricted Shares that have not vested as of such termination ("**Unvested Shares**") at a price equal to the exercise price per Option Share (the "**Repurchase Right**").
- (d) All Options and Option Shares shall become one hundred percent (100%) vested upon the consummation of a Change of Control (as defined in the Plan) that occurs at any time prior to the date that the Company becomes a publicly reporting company. Thereafter, in the event that your employment is terminated without Cause or you terminate your employment for Good Reason, in either case at any time beginning on the date that is 90 days prior to the effective date of a Change of Control (as defined in the Plan) and ending on the date that is 12 months following the Change of Control, then (i) all unvested Restricted Stock and Option Shares shall immediately vest in full, and (ii) all Options will remain exercisable for a period of 90 calendar days following the date of such termination, after which time the Option shall expire; provided, however, that no such Option shall be exercisable after the expiration of its maximum term. In order to give effect to the foregoing provision, notwithstanding anything to the contrary set forth in any agreement governing an equity award regarding immediate forfeiture of unvested shares upon termination of service or the duration of post-termination of service exercise periods, following any termination of your employment, none of your equity incentive awards shall terminate with respect to any vested or unvested portion subject to such equity award before 90 days following such termination.
- (e) The Board may grant you additional Options from time to time in its sole discretion.
- (f) "**Fully Diluted Basis**" shall mean, as of the relevant determination date, the number of shares of Company capital stock (assuming conversion of any preferred stock) that would be outstanding following exercise of all options included in the Plan.

5. Performance Awards.

- (a) In the event that the Company licenses or otherwise acquires the rights to commercially research and develop intellectual property covering a product identified by you (a "**Licensed Product**"), then, following the closing of such license or acquisition, you shall be granted an option ("**Performance Option**") to purchase a number of shares of Common Stock of the Company as follows:
  - (i) One and one-half percent (1.5%) of the outstanding shares of Common Stock on a Fully Diluted Basis immediately following a Qualified Financing where such Licensed Product is being or has been investigated in a Phase 1 clinical trial; and
  - (ii) Three percent (3%) of the outstanding shares of Common Stock on a Fully Diluted Basis immediately following the Qualified Financing where such Licensed Product is being or has been investigated in a Phase 2 clinical trial.

- (b) The exercise price of any Performance Option granted pursuant to this Section 5 will be equal to the fair market value per share of the Company's Common Stock as of the date that such Performance Option is granted by the Board. Any Performance Option granted to you shall have a 10-year term from the grant date and shall vest and become exercisable in 36 substantially equal monthly installments as of the last calendar day of each month following the grant date. Any Performance Option granted pursuant to Section 5(a) shall each constitute an "Option" for purposes of this Agreement once granted, including without limitation, Section 4(d).
6. Expenses. The Company will reimburse you for all normal, usual and necessary expenses incurred in furtherance of the business and affairs of the Company upon timely receipt by the Company of appropriate vouchers or other proof of your expenditures and otherwise in accordance with any expense reimbursement and approval policy as may from time to time be adopted by the Company.
7. Benefits. As a regular full-time employee, you shall be entitled to participate in the employee benefits made available to similarly-situated employees, in accordance with the terms of such benefits plans and programs. Information regarding these employee benefits is available in the official plan documents, summary plan descriptions, and applicable summaries. Details on each plan will be provided at the time of hire. The Company, in its sole discretion, has the right to amend or terminate any benefit plan or program at any time and without prior notice. Your health benefits would be effective on the first day of the month of employment following the effective date of your hire if you timely enroll when you commence employment with the Company. The benefits package currently includes medical, dental and disability benefits. Additionally, you shall be designated as a named insured on directors' and officers' liability insurance of the Company.
8. Vacation. During each year of your employment you shall be entitled to 20 days of paid time off in addition to company recognized holidays. Notwithstanding the foregoing, you shall not be entitled to take more than two consecutive weeks of vacation without the prior written consent of the Company.
9. Representations and Warranties. You hereby represent and warrant as follows:
- (a) By accepting the Company's offer of employment, you represent that you have no agreements, relationships, or commitments with any other person or entity that conflict with your obligations to the Company.
  - (b) You have the full right, power and legal capacity to enter and deliver this Agreement and to perform your duties and other obligations hereunder. This Agreement constitutes the legal, valid and binding obligation of the parties, enforceable against each in accordance with its terms. No approvals or consents of any persons or entities are required for you to execute and deliver this Agreement or perform your duties and other obligations hereunder.
  - (c) You represent and warrant to the Company that you have not brought and shall not bring with you to the Company, or use in the performance of your duties, any materials or documents of any former employer that are not generally available to the public, unless you have obtained written authorization from the former employer for their possession and use and provided the Company with a copy thereof.
10. Conditions to Employment. This offer of employment is contingent upon, and your employment shall be subject to:

- (a) execution of the Company's form of Proprietary Information and Invention Assignment Agreement attached hereto as Exhibit B, which prohibits unauthorized use or disclosure of the Company's proprietary information;
- (b) completion of a background examination to the reasonable satisfaction of the Company; and
- (c) satisfying the requirements of the Immigration Control and Reform Act, which may be accomplished by showing your proof of right to work in the U.S. within three days of commencing employment (see <http://www.uscis.gov/i-9> for a list of acceptable proof, such as (i) an original drivers license and social security card, or (ii) a passport).
- (d) Notwithstanding the foregoing, this offer may be withdrawn by the Company at any time prior to its execution by the Company.

11. Term and Termination. The Term of this Agreement shall be for four years; provided, however, that the Term shall be automatically renewed for additional one-year periods unless either party gives the other not less than 90 days written notice prior to the end of the Term of its intent to not renew the contract. Notwithstanding the foregoing, your employment shall be at-will. Accordingly, you may terminate your employment with the Company at any time and for any reason whatsoever, with or without advance notice, simply by notifying the Company in writing. Similarly, the Company may terminate your employment at any time and for any reason whatsoever, with or without cause or advance notice. This at-will relationship cannot be changed except in a writing signed by the Company's Board and you. The employment terms contained in this Agreement supersede any other agreements and promises made to you by the Company or any representative on its behalf, whether oral, written or implied. Effective as of the date of any termination of your employment, unless otherwise agreed to by you and the Company, upon termination of your employment hereunder for any reason, you shall be deemed to have resigned from all offices held at the Company or any subsidiary or other affiliate of the Company at the date of such termination.

12. Severance.

- (a) In the event that at any time your employment is terminated by the Company without Cause (as defined in the Plan), or by you for Good Reason (as defined below), then:
  - (i) the Company shall pay your accrued but unpaid Base Salary through the date of termination, at the rate in effect at the time of termination, accrued but unused vacation, and reimburse you for any unreimbursed business expenses incurred prior to the date of termination;
  - (ii) the Company shall continue to pay your Base Salary at the rate in effect at the time of termination (without regard to any reduction in Base Salary that served as the basis for a resignation for Good Reason) for a period of 180 days following the date of termination in accordance with the Company's ordinary payroll practice;
  - (iii) to the extent permitted by applicable healthcare laws and provided that you make a timely election to continue coverage, the Company shall pay directly to the insurance provider the premium for COBRA continuation coverage for the you and the your dependents, less the amount payable by an active employee for such coverage, for a period of 180 days or until he obtains new employment, whichever comes first (the benefits provided in this Section 12(a)(iii) shall be referred to as the "**Continued Benefits**"). Notwithstanding the foregoing, in the



event that applicable healthcare laws do not permit continuation of coverage, then the Company shall reimburse you for the costs of obtaining coverage in an amount not to exceed the coverage amounts paid or payable by you immediately prior to the date of termination; and

- (iv) (A) all unvested Restricted Stock, Options, Option Shares and any other Company equity compensation awards (collectively, "**Equity Awards**") you then hold shall immediately vest in full, and (B) all Options will remain exercisable for a period of 90 calendar days following the date of such termination, after which time the Options shall expire; provided, however, that no such Option shall be exercisable after the expiration of its maximum term. In order to give effect to the foregoing provision, notwithstanding anything to the contrary set forth in any agreement governing an equity award regarding immediate forfeiture of unvested shares upon termination of service or the duration of post-termination of service exercise periods, following any termination of your employment, none of your equity incentive awards shall terminate with respect to any vested or unvested portion subject to such equity award before 90 days following such termination.
- (b) In the event that your employment is terminated by the Company for Cause, or by you other than for Good Reason, then:
- (i) the Company shall pay your accrued but unpaid Base Salary through the date of termination, at the rate in effect at the time of termination, accrued but unused vacation, and reimburse you for any unreimbursed business expenses incurred prior to the date of termination;
  - (ii) you shall not be entitled to receive any additional payments and Continued Benefits described in this Section 12; and
  - (iii) the vesting applicable to all Equity Awards shall cease immediately and the you shall have a period of 90 days to exercise any and all vested Equity Awards, after which time all Equity Awards shall expire; provided, however, that no such Equity Award shall be exercisable after the expiration of its maximum term pursuant to the terms thereof.
- (c) For purposes of this Agreement: "**Good Reason**" shall mean (A) any material diminution by the Company of your title (including your ceasing to have the title of President and CEO), duties, authority or Base Salary (including without limitation any requirement that you report to any person(s) other than the Board of the Company); (B) a material breach by the Company of any of the provisions contained in this Agreement, which, if capable of being cured, is not cured by the Company within 30 days after written notice thereof by you to the Company; or (C) relocation of your principal place of employment more than 50 miles without your consent.
- (d) This Section 12 sets forth the only obligations of the Company with respect to the termination of your employment with the Company, and you acknowledge that, upon the termination of your employment, you shall not be entitled to any payments or benefits which are not explicitly provided in this Section 12. Further, notwithstanding anything to the contrary contained herein, the Company shall have no obligation to pay, and you shall have no right to receive, any compensation, benefits or other consideration provided for in this Section 12 (other than any accrued but unpaid Base Salary through the date of termination and any reimbursement of unreimbursed expenses incurred prior to the date of termination) (the "**Payments**") unless you execute an agreement in a form satisfactory to the Company (the "**Release Agreement**") releasing the Company from any and all liability in connection with your employment or the termination thereof that becomes

effective no later than 60 days following your termination (the "**Release Deadline**"). Except as required by Section 13, the Payments will commence on the first payroll period following the Release Agreement becoming effective; provided, that (i) if the Payments (or any portion thereof) constitute "deferred compensation" within the meaning of Section 409A (as defined in Section 13) and (ii) the period commencing on the date of termination and ending on the Release Deadline spans two calendar years, then the Payments (or such portion thereof that constitute "deferred compensation") will commence on the later of the Release Agreement becoming effective and the first payroll date of the Company in the second calendar year. Any portion of the Payments that is delayed due to the application of the preceding sentence shall be made on the date that the Payments commence.

(e) The Company shall withhold all applicable federal, state and local taxes and social security and such other amounts as may be required by law from all amounts payable to the you under this Section 12. The provisions of this Section 12 shall survive any termination of this Agreement.

(f) Non-renewal by either party shall not give rise to any right to receive severance.

13. Section 409A. Notwithstanding anything to the contrary set forth herein, any payments and benefits provided under this Agreement that constitute "deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**") and the regulations and other guidance thereunder and any state law of similar effect (collectively, "**Section 409A**") and that are payable in connection with your termination of employment shall not commence unless and until you have also incurred a "separation from service" within the meaning of Section 409A, unless the Company reasonably determines that such amounts may be provided to you without causing you to incur the additional 20% tax under Section 409A. If you are, upon a separation from service, a "specified employee" within the meaning of Section 409A, then, solely to the extent necessary to avoid the incurrence of the adverse personal tax consequences under Section 409A, the payment of any deferred compensation shall not commence until the earlier to occur of: (i) the date that is six months and one day after your separation from service, or (ii) the date of your death. Any payments that are delayed due to the application of the preceding sentence shall be made on the date that payments commence. For purposes of Section 409A, the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments.
14. No Reliance by You on Promise or Representation Not in this Agreement. In accepting employment with the Company and signing this Agreement, you agree that you are not relying on any representation, promise or inducement that has been made by the Company or any representative on its behalf that is not explicitly stated in this Agreement. The Company is not bound by and will not be liable for any representation, promise or inducement that is not explicitly stated forth in this Agreement.
15. Governing Law. The terms of this offer letter shall be governed by, and construed and interpreted in accordance with, the laws of the State of California without regard to such State's principles of conflict of laws.
16. Arbitration. To the maximum extent permitted by law, any dispute between the parties, including but not limited to those arising out of, or relating to, this Agreement, shall be exclusively decided by binding arbitration in accordance with the terms of the Mutual Agreement to Arbitrate Claims, which is attached as Exhibit C and incorporated into this Agreement. The Federal Arbitration Act shall govern the interpretation, enforcement and all proceedings pursuant to the Mutual

Agreement to Arbitrate Claims. To the extent that the Federal Arbitration Act is inapplicable, the terms of the Mutual Agreement to Arbitrate Claims shall be construed in accordance with California law.

17. Miscellaneous.

- (a) This agreement, and your rights and obligations hereunder, may not be assigned. the Company may assign its rights, together with its obligations, hereunder in connection with any sale, transfer or other disposition of all or substantially all of its business or assets provided the assignee entity which succeeds to the Company expressly assumes the Company's obligations hereunder and complies with the terms of this Agreement.
- (b) This agreement cannot be amended orally, or by any course of conduct or dealing, but only by a written agreement signed by the parties hereto.
- (c) The failure of either party to insist upon the strict performance of any of the terms, conditions and provisions of this agreement shall not be construed as a waiver or relinquishment of future compliance therewith, and such terms, conditions and provisions shall remain in full force and effect. No waiver of any term or condition of this agreement on the part of either party shall be effective for any purpose whatsoever unless such waiver is in writing and signed by such party.
- (d) This agreement sets forth the entire agreement and understanding of the parties relating to the subject matter hereof, and supersedes all prior agreements, arrangements and understandings, written or oral, relating to the subject matter hereof. No representation, promise or inducement has been made by either party that is not embodied in this agreement, and neither party shall be bound by or liable for any alleged representation, promise or inducement not so set forth.

*[Signature page follows]*

If you wish to accept employment at the Kronos Bio, Inc., under the terms described above, please sign and date this letter, and return it to me.

We look forward to your favorable reply and to a productive and enjoyable working relationship.

Very truly yours,

By: /s/ Joshua A. Kazam  
Name: Joshua A. Kazam  
Title: President  
Date: May 1, 2018

By: /s/ Dr. Norbert Bischofberger  
Name: Dr. Norbert Bischofberger  
Date: May 2, 2018

EXHIBIT A

[REDACTED]

EXHIBIT B

PROPRIETARY INFORMATION AND INVENTION ASSIGNMENT AGREEMENT

EXHIBIT C

MUTUAL AGREEMENT TO ARBITRATE CLAIMS

[REDACTED]

Confidential

September 4, 2019

Jorge F. DiMartino, MD, PhD

Re: **Employment Letter**

Dear Dr. DiMartino:

Kronos Bio, Inc. (the "Company") is pleased to offer you the position of Chief Medical Officer, on the following terms and conditions:

1. **Title; Reporting; Duties.**
  - (a) As Chief Medical Officer, you will perform such duties as are customarily provided by a Chief Medical Officer of a similarly situated company in the United States and shall have such other responsibilities and duties as may be from time to time directed by the Company. You shall report directly to the Company's President & Chief Executive Officer.
  - (b) You shall devote substantially all of your business time, attention and energies to the business and affairs of the Company and shall not during the term of your employment be actively engaged in any other business activity, whether or not such business activity is pursued for gain, profit or other pecuniary advantage, that will interfere with the performance of your duties or your availability to perform such duties or that will adversely affect, or negatively reflect upon, the Company. Any such outside business activities that you may wish to pursue during the term of your employment with the Company shall require the prior written consent of the Company's Chief Executive Officer. Notwithstanding the foregoing, you may continue to provide the services set forth on Exhibit A, attached hereto and made a part hereof, in the capacity set forth thereon.
  - (c) Your duties shall be performed primarily at the Company's corporate offices, which are currently located at 1300 S. El Camino Real, Suite 300, San Mateo CA 94402, or such other place as the parties may agree.
2. **Start Date.** Your employment shall commence on November 18, 2019, or such other date as may be agreed to by you and the Company.
3. **Compensation.**
  - (a) **Base Salary.** You shall receive an annual base salary equal to Three Hundred Eighty Seven Thousand Five Hundred Dollars (US\$387,500), which shall be payable in accordance with the Company's payroll practices.
  - (b) **Performance Bonus.** You shall be eligible to receive an annual performance bonus payable in cash at a target amount equal to 35% of your Base Salary, subject to the successful achievement of agreed upon individual and corporate performance goals. Any Performance Bonus paid to you for the calendar year 2019 shall be pro-rated.



(c) Withholding. Except as expressly stated otherwise, the Company shall withhold all applicable federal, state and local taxes and social security and such other amounts as may be required by law from all amounts payable under this Section 3.

4. Equity Awards.

(a) Subject to the approval of the Board of Directors of the Company (the "Board"), or an authorized committee thereof, you shall be granted a stock option (the "Option") to purchase 360,000 shares of the Company's common stock (the "Option Shares") pursuant to the Company's 2017 Equity Incentive Plan (the "Plan"). Such grant shall be evidenced by an option agreement (the "Option Agreement") to be entered into by and between you and the Company. In the event of a conflict between this Agreement and the Option Agreement, the terms of the Option Agreement shall control. The exercise price per Option Share will be equal to the fair market value per share of the Company's Common Stock as of the date that such Option is granted by the Board. The Option shall have a 10-year term and shall vest and become exercisable as follows: (i) 25% upon the first anniversary date of your Start Date (the "Initial Vesting Date"); and thereafter (ii) the remaining unvested Options Shares shall vest in 36 substantially equal monthly installments as of the last calendar day of each month following the Initial Vesting Date.

(b) All Options shall be immediately exercisable with respect to one hundred percent (100%) of the Option Shares in exchange for restricted shares of Common Stock of the Company (the "Restricted Shares"); provided, however, that the Restricted Shares will be subject to a repurchase right (the "Repurchase Right") in favor of the Company that lapses in accordance with the schedule described above. Upon termination of your employment, the Company may exercise its Repurchase Right with respect to any or all Restricted Shares for which the Repurchase Right has lapsed at a price equal to the exercise price per Option Share.

(c) All Options and Option Shares shall become one hundred percent (100%) vested upon the consummation of a Change of Control (as defined in the Plan) that occurs at any time prior to the date that the Company becomes a publicly reporting company. Thereafter, in the event that your employment is terminated without Cause or you terminate your employment for Good Reason, in either case at any time beginning on the date that is 90 days prior to the effective date of a Change of Control (as defined in the Plan) and ending on the date that is 12 months following the Change of Control, then (i) all unvested Restricted Shares and/or Option Shares shall immediately vest in full, and (ii) all Options will remain exercisable for a period of 90 calendar days following the date of such termination, after which time the Option shall expire; provided, however, that no such Option shall be exercisable after the expiration of its maximum term. In order to give effect to the foregoing provision, notwithstanding anything to the contrary set forth in any agreement governing an equity award regarding immediate forfeiture of unvested shares upon termination of service or the duration of post-termination of service exercise periods, following any termination of your employment, none of your equity incentive awards shall terminate with respect to any vested or unvested portion subject to such equity award before 90 days following such termination.

5. Expenses. The Company will reimburse you for all normal, usual and necessary expenses incurred in furtherance of the business and affairs of the Company upon timely receipt by the Company of appropriate vouchers or other proof of your expenditures and otherwise in accordance with any expense reimbursement and approval policy as may from time to time be adopted by the Company.

6. **Benefits.** As a regular full-time employee, you shall be entitled to participate in the employee benefits made available to similarly-situated employees, in accordance with the terms of such benefits plans and programs. Information regarding these employee benefits is available in the official plan documents, summary plan descriptions, and applicable summaries. Details on each plan will be provided at the time of hire. The Company, in its sole discretion, has the right to amend or terminate any benefit plan or program at any time and without prior notice. Your health benefits would be effective on the effective date of your hire if you timely enroll when you commence employment with Kronos. The benefits package currently includes medical, dental, vision and disability benefits.
7. **Paid Time Off.** Consistent with the Company's Time Off Policy, during each year of your employment you shall not accrue vacation benefits but are entitled to an indeterminate amount of personal time off subject to approval from your Supervisor and as operational conditions permit. Under the Company's policy, you will still be responsible for meeting the expectations and requirements of your position including timely and satisfactorily completing all work assignments while taking time off. This may include being required to respond to emails, telephone calls, mobile messages and other forms of communication. For purposes of the Company's policy, this personal time off is in addition to company recognized holidays or sick leave. You will accrue sick leave consistent with applicable California law. Sick leave may be used for yourself or a family member for the diagnosis, care or treatment of an existing health condition or preventive care, or specified purposes set forth in the Company's policy if you are a victim of domestic violence, sexual assault, or stalking. Notwithstanding the foregoing, you shall not be entitled to take more than two consecutive weeks of vacation without the prior written consent of the Company.
8. **Representations and Warranties.** You hereby represent and warrant as follows:
  - (a) By accepting the Company's offer of employment, you represent that you have no agreements, relationships, or commitments with any other person or entity that conflict with your obligations to the Company.
  - (b) You have the full right, power and legal capacity to enter and deliver this Agreement and to perform your duties and other obligations hereunder. This Agreement constitutes the legal, valid and binding obligation of the parties, enforceable against each in accordance with its terms. No approvals or consents of any persons or entities are required for you to execute and deliver this Agreement or perform your duties and other obligations hereunder.
  - (c) You represent and warrant to the Company that you have not brought and shall not bring with you to the Company, or use in the performance of your duties, any materials or documents of any former employer that are not generally available to the public, unless you have obtained written authorization from the former employer for their possession and use and provided the Company with a copy thereof.
9. **Conditions to Employment.** This offer of employment is contingent upon, and your employment shall be subject to:
  - (a) execution of the Company's form of Proprietary Information and Invention Assignment Agreement attached hereto as Exhibit B, which prohibits unauthorized use or disclosure of the Company's proprietary information;

- (b) completion of a background examination to the reasonable satisfaction of the Company; and
  - (c) satisfying the requirements of the Immigration Control and Reform Act, which may be accomplished by showing your proof of right to work in the U.S. within three days of commencing employment (see <http://www.uscis.gov/i-9> for a list of acceptable proof, such as (i) an original drivers license and social security card, or (ii) a passport),
  - (d) Notwithstanding the foregoing, this offer may be withdrawn by the Company at any time prior to its execution by the Company.
10. Employment-at-will and Termination. Your employment shall be at-will. Accordingly, you may terminate your employment with the Company at any time and for any reason whatsoever, without or without advance notice, simply by notifying the Company in writing. Similarly, the Company may terminate your employment at any time and for any reason whatsoever, with or without cause or advance notice. This at-will relationship cannot be changed except in a writing signed by a duly authorized office of the Company and you. The employment terms contained in this Agreement supersede any other agreements and promises made to you by the Company or any representative on its behalf, whether oral, written or implied.
11. Severance.
- (a) In the event that at any time your employment is terminated by the Company without Cause (as defined in the Plan), or by you for Good Reason (as defined below), then:
    - (i) the Company shall pay your accrued but unpaid Base Salary through the date of termination, at the rate in effect at the time of termination, accrued but unused vacation, and reimburse you for any unreimbursed business expenses incurred prior to the date of termination;
    - (ii) the Company shall continue to pay your Base Salary at the rate in effect at the time of termination (without regard to any reduction in Base Salary that served as the basis for a resignation for Good Reason) for a period of 180 days following the date of termination in accordance with the Company's ordinary payroll practice;
    - (iii) to the extent permitted by applicable healthcare laws and provided that you make a timely election to continue coverage, the Company shall pay directly to the insurance provider the premium for COBRA continuation coverage for the you and the your dependents, less the amount payable by an active employee for such coverage, for a period of 180 days or until he obtains new employment, whichever comes first (the benefits provided in this Section 11 (a)(iii) shall be referred to as the "Continued Benefits"). Notwithstanding the foregoing, in the event that applicable healthcare laws do not permit continuation of coverage, then the Company shall reimburse you for the costs of obtaining coverage in an amount not to exceed the coverage amounts paid or payable by you immediately prior to the date of termination; and
    - (iv) (A) all unvested Restricted Stock, Options, Option Shares and any other Company equity compensation awards you then hold shall immediately vest in full, and (B) all Options will remain exercisable for a period of 90 calendar days following the date

of such termination, after which time the Options shall expire; provided, however, that no such Option shall be exercisable after the expiration of its maximum term. In order to give effect to the foregoing provision, notwithstanding anything to the contrary set forth in any agreement governing an equity award regarding immediate forfeiture of unvested shares upon termination of service or the duration of post-termination of service exercise periods, following any termination of your employment, none of your equity incentive awards shall terminate with respect to any vested or unvested portion subject to such equity award before 90 days following such termination.

- (b) In the event that your employment is terminated by the Company for Cause, or by you other than for Good Reason, then:
- (i) the Company shall pay your accrued but unpaid Base Salary through the date of termination, at the rate in effect at the time of termination, accrued but unused vacation, and reimburse you for any unreimbursed business expenses incurred prior to the date of termination;
  - (ii) you shall not be entitled to receive any payments and Continued Benefits described in this Section 11; and
  - (iii) the vesting applicable to all Equity Awards granted to you by the Company shall cease immediately and you shall have a period of 90 days to exercise any and all vested Equity Awards, after which time all Equity Awards shall expire; provided, however, that no such Equity Award shall be exercisable after the expiration of its maximum term pursuant to the terms thereof.
- (c) For purposes of this Agreement: "Good Reason" shall mean (A) any material diminution by the Company of your title, duties, authority or Base Salary (including without limitation any requirement that you report to any person(s) other than the Board of the Company); (B) a material breach by the Company of any of the provisions contained in this Agreement, which, if capable of being cured, is not cured by the Company within 30 days after written notice thereof by you to the Company; or (C) relocation of your principal place of employment more than 50 miles without your consent.
- (d) This Section 11 sets forth the only obligations of the Company with respect to the termination of your employment with the Company, and you acknowledges that, upon the termination of her employment, he shall not be entitled to any payments or benefits which are not explicitly provided in this Section 11. Further, notwithstanding anything to the contrary contained herein, the Company shall have no obligation to pay, and you shall have no right to receive, any compensation, benefits or other consideration provided for in this Section 11 (other than any accrued but unpaid Base Salary through the date of termination and any reimbursement of unreimbursed expenses incurred prior to the date of termination) (the "Payments") unless you execute an agreement in a form satisfactory to the Company (the "Release Agreement") releasing the Company from any and all liability in connection with your employment or the termination thereof that becomes effective no later than 60 days following your termination (the "Release Deadline"). Except as required by Section 14, the Payments will commence on the first payroll period following the Release Agreement becoming effective; provided, that (i) if the Payments (or any portion thereof) constitute "deferred compensation" within the meaning of Section 409A (as defined in Section 14) and (ii) the

period commencing on the date of termination and ending on the Release Deadline spans two calendar years, then the Payments (or such portion thereof that constitute "deferred compensation") will commence on the later of the Release Agreement becoming effective and the first payroll date of the Company in the second calendar year. Any portion of the Payments that is delayed due to the application of the preceding sentence shall be made on the date that the Payments commence.

- (e) The Company shall withhold all applicable federal, state and local taxes and social security and such other amounts as may be required by law from all amounts payable to the you under this Section 11. The provisions of this Section 11 shall survive any termination of this Agreement.
  - (f) Non-renewal by either party shall not give rise to any right to receive severance.
12. No Reliance by You on Promise or Representation Not in this Agreement. In accepting employment with the Company and signing this Agreement, you agree that you are not relying on any representation, promise or inducement that has been made by the Company or any representative on its behalf that is not explicitly stated in this Agreement. the Company is not bound by and will not be liable for any representation, promise or inducement that is not explicitly stated forth in this Agreement.
13. Governing Law; Arbitration. The terms of this offer letter shall be governed by, and construed and interpreted in accordance with, the laws of the State of California without regard to principles of conflict of laws. Any dispute arising out of, or relating to, this letter agreement or your employment by the Company shall be exclusively decided by binding arbitration conducted in San Francisco, CA in accordance with the rules of the American Arbitration Association (the "AAA") then in effect before a single arbitrator appointed in accordance with such rules. The arbitrator shall have authority to grant any form of appropriate relief, whether legal or equitable in nature, including specific performance. Each of the parties agrees that service of process in such arbitration proceedings shall be satisfactorily made upon it if sent by registered mail addressed to it at the address referred to in clause below. Judgment upon any award rendered therein may be entered and enforcement obtained thereon in any court having jurisdiction.
14. Section 409A. Notwithstanding anything to the contrary set forth herein, any payments and benefits provided under this offer letter that constitute "deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations and other guidance thereunder and any state law of similar effect (collectively, "Section 409A") and that are payable in connection with your termination of employment shall not commence unless and until you have also incurred a "separation from service" within the meaning of Section 409A, unless the Company reasonably determines that such amounts may be provided to you without causing you to incur the additional 20% tax under Section 409A. If you are, upon a separation from service, a "specified employee" within the meaning of Section 409A, then, solely to the extent necessary to avoid the incurrence of the adverse personal tax consequences under Section 409A, the payment of any deferred compensation shall not commence until the earlier to occur of: (i) the date that is six months and one day after your separation from service, or (ii) the date of your death. Any payments that are delayed due to the application of the preceding sentence shall be made on the date that payments commence. For purposes of Section 409A, the right to a series of installment payments under this offer letter shall be treated as a right to a series of separate payments.

15. Miscellaneous.

- (a) This agreement, and your rights and obligations hereunder, may not be assigned. The Company may assign its rights, together with its obligations, hereunder in connection with any sale, transfer or other disposition of all or substantially all of its business or assets provided the assignee entity which succeeds to the Company expressly assumes the Company's obligations hereunder and complies with the terms of this Agreement.
- (b) This agreement cannot be amended orally, or by any course of conduct or dealing, but only by a written agreement signed by the parties hereto.
- (c) The failure of either party to insist upon the strict performance of any of the terms, conditions and provisions of this agreement shall not be construed as a waiver or relinquishment of future compliance therewith, and such terms, conditions and provisions shall remain in full force and effect. No waiver of any term or condition of this agreement on the part of either party shall be effective for any purpose whatsoever unless such waiver is in writing and signed by such party.
- (d) This agreement sets forth the entire agreement and understanding of the parties relating to the subject matter hereof, and supersedes all prior agreements, arrangements and understandings, written or oral, relating to the subject matter hereof. No representation, promise or inducement has been made by either party that is not embodied in this agreement, and neither party shall be bound by or liable for any alleged representation, promise or inducement not so set forth.
- (e) This Agreement may be executed in counterparts, each of which will be deemed an original, and all of which together will be deemed to be one and the same instrument. A portable document format (".pdf") copy of this Agreement, including the signature pages, will be deemed an original.

*[Signature page follows]*

**Confidential**

If you wish to accept employment at Kronos Bio, Inc., under the terms described above, please sign and date this letter, and return it to me.

We look forward to your favorable reply and to a productive and enjoyable working relationship.

Very truly yours,

By: /s/ Norbert Bischofberger  
Name: Norbert Bischofberger  
Title: CEO Kronos Bio  
Date: September 5th, 2019

Agreed and Accepted:

By: /s/ Jorge DiMartino  
Name: Jorge DiMartino  
Date: 9/5/19

**EXHIBIT A**

[Redacted]



**EXHIBIT B**

**PROPRIETARY INFORMATION AND INVENTION ASSIGNMENT AGREEMENT**

September 19, 2018

Philip P. Gutry

Re: **Employment Letter**

Dear Mr. Gutry:

Kronos Bio, Inc. ("Kronos" or the "Company") is pleased to offer you the position of Chief Business Officer, on the following terms and conditions:

1. **Title; Reporting; Duties.**

- (a) As Chief Business Officer, you will perform such duties as are customarily provided by a Chief Business Officer of a similarly situated company in the United States and shall have such other responsibilities and duties as may be from time to time directed by the Company. You shall report directly to the Company's Chief Executive Officer, which reporting structure may be modified or amended in the sole discretion of the Company.
- (b) You shall devote substantially all of your business time, attention and energies to the business and affairs of the Company and shall not during the term of your employment be actively engaged in any other business activity, whether or not such business activity is pursued for gain, profit or other pecuniary advantage, that will materially interfere with the performance of your duties or your availability to perform such duties or that will adversely affect, or negatively reflect upon, the Company. Any such outside business activities that you may wish to pursue during the term of your employment with the Company shall require the prior written consent of the Company. Notwithstanding the foregoing, you may continue to provide services to the entities set forth on Exhibit A, attached hereto and made a part hereof, in the capacity set forth thereon. Exhibit A may be amended from time to time subject to the Company's written consent to any such amendment, which consent shall not be unreasonably withheld or delayed.
- (c) Your duties shall be performed primarily at the Company's West Coast office, located at 1300 S. El Camino Real, San Mateo, CA, or such other place as the parties may agree.

2. **Start Date.** Your employment shall commence on September 24, 2018, or such other date as may be agreed to by you and the Company.

3. **Compensation.**

- (a) **Base Salary.** You shall receive an annual base salary equal to Three Hundred Thousand Dollars (\$300,000), which shall be payable in accordance with the Company's payroll practices.
- (b) **Performance Bonus.** You shall be eligible to receive an annual performance bonus payable in cash at a target amount equal to 35% of your Base Salary, subject to the successful achievement of agreed upon individual and corporate performance goals. Any Performance Bonus paid to you for the calendar year 2018 shall be pro-rated.

(c) **Commencement Bonus.** Within two weeks of your Start Date, the Company shall make a cash payment to you in the amount of Seventy-Five Thousand Dollars (\$75,000) (the “Commencement Bonus”); provided, however, that if your employment with the Company is terminated within one (1) year from the Start Date (A) by you other than for Good Reason (as defined in Section 11(h)), or (B) by the Company for Cause (as defined below), then you shall be required to repay the Commencement Bonus to the Company. For purposes of this Employment Letter, “Cause” shall mean any of the following:

- (i) Your willful failure to adequately perform the material duties or obligations hereunder, or your willful misconduct in respect of such duties or obligations, including, without limitation, your willful failure, disregard or refusal to abide by specific objective and lawful directions received in writing from Kronos’ Chief Executive Officer;
- (ii) any willful, intentional or grossly negligent act by you in the performance of your duties having the reasonably foreseeable effect of actually and substantially injuring, whether financial or otherwise, the business reputation of the Company;
- (iii) Your indictment of any felony;
- (iv) Your being convicted of a misdemeanor involving moral turpitude that causes, or could reasonably be expected to cause, substantial harm to the Company or its reputation;
- (v) the determination by the Company, after a reasonable and good-faith investigation following a written allegation by another employee of the Company, that you engaged in some form of harassment prohibited by law (including, without limitation, age, sex or race discrimination); provided, however, that Cause shall not exist unless the Company gives you written notice where such notice describes with particularity the alleged act(s) at issue and has given you an opportunity to be heard at a meeting with the Company’s senior management, including its Chief Executive Officer, with or without counsel, and the Company provides you with a summary of its findings;
- (vi) any misappropriation or embezzlement of the property of the Company or its affiliates (whether or not a misdemeanor or felony) by you; or
- (vii) a material breach by you of Section 8 of this Employment Letter or the Proprietary Information and Invention Assignment Agreement, a copy of which is attached hereto as Exhibit B.

(d) **Withholding.** Except as expressly stated otherwise, the Company shall withhold all applicable federal, state and local taxes and social security and such other amounts as may be required by law from all amounts payable under this Section 3.

4. **Equity Awards.** Subject to the approval of the Board of Directors of the Company (the “Board”), or an authorized committee thereof, you shall be granted a stock option (the “Option”) to purchase 214,605 shares of the Company’s common stock (the “Option Shares”) pursuant to the Company’s 2017 Equity Incentive Plan (the “Plan”). Such grant

shall be evidenced by an option agreement (the "Option Agreement") to be entered into by and between you and the Company. In the event of a conflict between this Employment Letter and the Option Agreement, the terms of the Option Agreement shall control. The exercise price per Option Share will be equal to the fair market value per share of the Company's Common Stock as of the date that such Option is granted by the Board. The Option shall have a 10-year term and shall vest and become exercisable as follows: (i) 25% upon the first anniversary date of your Start Date (the "Initial Vesting Date"); and thereafter (ii) the remaining unvested Options Shares shall vest in 36 substantially equal monthly installments as of the last calendar day of each month following the Initial Vesting Date.

5. Expenses. The Company will reimburse you for all normal, usual and necessary expenses incurred in furtherance of the business and affairs of the Company upon timely receipt by the Company of appropriate vouchers or other proof of your expenditures and otherwise in accordance with any expense reimbursement and approval policy as may from time to time be adopted by the Company.
6. Benefits. As a regular full-time employee, you shall be entitled to participate in the employee benefits made available to similarly-situated employees, in accordance with the terms of such benefits plans and programs. Information regarding these employee benefits is available in the official plan documents, summary plan descriptions, and applicable summaries. Details on each plan will be provided at the time of hire. The Company, in its sole discretion, has the right to amend or terminate any benefit plan or program at any time and without prior notice. Your health benefits would be effective on the effective date of your hire if you timely enroll when you commence employment with Kronos. The benefits package currently includes medical, dental, vision and disability benefits.
7. Paid Time Off. During each year of your employment you shall be entitled to 20 days of paid time off for vacation or sick leave in addition to company recognized holidays. Sick leave may be used for yourself or a family member for the diagnosis, care or treatment of an existing health condition or preventive care, or specified purposes set forth in the Company's policy if you are a victim of domestic violence, sexual assault, or stalking. Notwithstanding the foregoing, you shall not be entitled to take more than two consecutive weeks of vacation without the prior written consent of the Company.
8. Representations and Warranties. You hereby represent and warrant as follows:
  - (a) By accepting the Company's offer of employment, you represent that you have no agreements, relationships, or commitments with any other person or entity that conflict with your obligations to the Company.
  - (b) You have the full right, power and legal capacity to enter and deliver this Employment Letter and to perform your duties and other obligations hereunder. This Employment Letter constitutes the legal, valid and binding obligation of the parties, enforceable against each in accordance with its terms. No approvals or consents of any persons or entities are required for you to execute and deliver this Employment Letter or perform your duties and other obligations hereunder.
  - (c) You represent and warrant to the Company that you have not brought and shall not bring with you to the Company, or use in the performance of your duties, any materials or

documents of any former employer that are not generally available to the public, unless you have obtained written authorization from the former employer for their possession and use and provided the Company with a copy thereof.

9. **Conditions to Employment.** This offer of employment is contingent upon, and your employment shall be subject to:
- (a) execution of the Company's form of Proprietary Information and Invention Assignment Agreement attached hereto as **Exhibit B**, which prohibits unauthorized use or disclosure of the Company's proprietary information;
  - (b) completion of a background examination to the reasonable satisfaction of the Company; and
  - (c) satisfying the requirements of the Immigration Control and Reform Act, which may be accomplished by showing your proof of right to work in the U.S. within three days of commencing employment (see <http://www.uscis.gov/i-9> for a list of acceptable proof, such as (i) an original drivers license and social security card, or (ii) a passport).
  - (d) Notwithstanding the foregoing, this offer may be withdrawn by the Company at any time prior to its execution by the Company.
10. **Employment-at-will and Termination.** Your employment shall be at-will. Accordingly, you may terminate your employment with the Company at any time and for any reason whatsoever, without or without advance notice, simply by notifying the Company in writing. Similarly, the Company may terminate your employment at any time and for any reason whatsoever, with or without cause or advance notice. This at-will relationship cannot be changed except in a writing signed by a duly authorized office of the Company and you. The employment terms contained in this Employment Letter supersede any other agreements and promises made to you by the Company or any representative on its behalf, whether oral, written or implied.
11. **Severance.**
- (a) In the event that your employment is terminated by the Company without Cause (as defined in Section 3(c) or by you for Good Reason (as defined in Section 11(h)), then upon such termination the Company shall:
    - (i) pay you any accrued but unpaid Base Salary through the date of termination, at the rate in effect at the time of termination; accrued but unused vacation, and reimburse you for any unreimbursed business expenses incurred prior to the date of termination;
    - (ii) continue to pay your Base Salary at the rate in effect at the time of termination (without regard to any reduction in Base Salary that served as the basis for a resignation for Good Reason) for a period of six months following the date of termination (the "**Severance Period**") commencing on the first payroll period following the effective date of your termination;

- (iii) to the extent permitted by applicable healthcare laws and provided that you make a timely election to continue coverage, the Company shall pay directly to the insurance provider the premium for COBRA continuation coverage for you and your dependents (if any), less the amount payable by an active employee for such coverage, during the Severance Period or until you obtain new employment, whichever comes first (the benefits described in this Section 11(a)(iii) shall be referred to as the "Continued Benefits"). Notwithstanding the foregoing, in the event applicable healthcare laws do not permit continuation of coverage, then the Company shall reimburse you for the costs of obtaining coverage in an amount not to exceed the coverage amounts paid or payable by you immediately prior to the date of termination; and
  - (iv) the vesting applicable to all Equity Awards shall cease immediately and you shall have a period of 90 days to exercise any vested Equity Awards, after which time all Equity Awards shall expire; provided, however, that no such Equity Award shall be exercisable after the expiration of its maximum term pursuant to the terms thereof.
- (b) In the event that your employment is terminated by the Company for Cause, or by you other than for Good Reason, then:
- (i) the Company shall pay your accrued but unpaid Base Salary through the date of termination, at the rate in effect at the time of termination, accrued but unused vacation, and reimburse you for any unreimbursed business expenses incurred prior to the date of termination;
  - (ii) you shall not be entitled to receive any payments or have the Company provide or reimburse you for the Continued Benefits described in this Section 11, however you may elect COBRA benefits provided that you pay the premium; and
  - (iii) the vesting applicable to all Equity Awards shall cease immediately and you shall have a period of 90 days to exercise any vested Equity Awards, after which time all Equity Awards shall expire; provided, however, that no such Equity Award shall be exercisable after the expiration of its maximum term pursuant to the terms thereof.
- (c) In the event that your employment is terminated by the Company without Cause or by you for Good Reason at any time beginning on the date that is 90 days prior to the effective date of a Change of Control (as defined in the Plan) (the "Trigger Date") and ending on the date that is 12 months following the Trigger Date, then (i) you shall be entitled to receive the benefits described in Section 11(a), and (ii) all unvested Equity Awards shall immediately vest in full and shall remain exercisable for a period of 90 calendar days following the date of such termination, after which time all Equity Awards shall expire.
- (d) This Section 11 sets forth the only obligations of the Company with respect to the termination of your employment with the Company, and you acknowledge that, upon the termination of your employment, you shall not be entitled to any payments or benefits which are not explicitly provided in this Section 11. Further, notwithstanding anything

to the contrary contained herein, the Company shall have no obligation to pay, and you shall have no right to receive, any compensation, benefits or other consideration provided for in this Section 11 (other than any accrued but unpaid Base Salary through the date of termination and any reimbursement of unreimbursed expenses incurred prior to the date of termination, and your option to elect COBRA benefits provided that you pay the premium) (the “**Severance Payments**”) unless you execute an agreement substantially in the form attached hereto as Exhibit C (the “**Release Agreement**”) releasing the Company from any and all liability in connection with the your employment or the termination thereof that becomes effective no later than 60 days following your termination (the “**Release Deadline**”). Except as required by Section 12, the Severance Payments will commence on the first payroll period following the Release Agreement becoming effective; provided, that (i) if the Severance Payments (or any portion thereof) constitute “deferred compensation” within the meaning of Section 409A (as defined in Section 12) and (ii) the period commencing on the date of termination and ending on the Release Deadline spans two calendar years, then the Severance Payments (or such portion thereof that constitute “deferred compensation”) will commence on the later of the Release Agreement becoming effective and the first payroll date of the Company in the second calendar year. Any portion of the Severance Payments that is delayed due to the application of the preceding sentence shall be made on the date that the Severance Payments commence.

- (e) Effective as of the date of any termination of your employment, unless otherwise agreed to by you and the Company, upon termination of your employment hereunder for any reason, you shall be deemed to have resigned from all offices held at the Company or any subsidiary or other affiliate of the Company at the date of such termination, including without limitation the position of Chief Business Officer.
- (f) The Company shall withhold all applicable federal, state and local taxes and social security and such other amounts as may be required by law from all amounts payable to you under this Section 11.
- (g) The provisions of this Section 11 shall survive any termination of this Employment Letter.
- (h) For purposes of this Employment Letter “Good Reason” shall mean (A) any material diminution by the Company of your title, duties, authority or Base Salary; or (B) a material breach by the Company of any of the provisions contained in this Employment Letter, which, if capable of being cured, is not cured by the Company within 30 days after written notice thereof by you to the Company; or (C) relocation of your principal place of employment more than 50 miles without your consent. Notwithstanding the foregoing, should you wish to terminate your employment for Good Reason, you must provide the Company with written notice of such Good Reason within 30 days of the occurrence of the condition alleged to have caused such Good Reason and reasonably cooperate with the Company in remedying the condition causing Good Reason for a period of 30 days (the “Cure Period”). If, following the Cure Period, the condition causing Good Reason remains uncured, a termination of employment by you for Good Reason shall be effective on the day following the expiration of such Cure Period.

12. Section 409A. Notwithstanding anything to the contrary set forth herein, any payments and benefits provided under this Employment Letter that constitute “deferred compensation” within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) and the regulations and other guidance thereunder and any state law of similar effect (collectively, “Section 409A”) and that are payable in connection with your termination of employment shall not commence unless and until you have also incurred a “separation from service” within the meaning of Section 409A, unless the Company reasonably determines that such amounts may be provided to you without causing you to incur the additional 20% tax under Section 409A. If you are, upon a separation from service, a “specified employee” within the meaning of Section 409A, then, solely to the extent necessary to avoid the incurrence of the adverse personal tax consequences under Section 409A, the payment of any deferred compensation shall not commence until the earlier to occur of: (i) the date that is six months and one day after your separation from service, or (ii) the date of your death. Any payments that are delayed due to the application of the preceding sentence shall be made on the date that payments commence. For purposes of Section 409A, the right to a series of installment payments under this Employment Letter shall be treated as a right to a series of separate payments.
13. No Reliance by You on Promise or Representation Not in this Agreement. In accepting employment with the Company and signing this Employment Letter, you agree that you are not relying on any representation, promise or inducement that has been made by the Company or any representative on its behalf that is not explicitly stated in this Employment Letter. The Company is not bound by and will not be liable for any representation, promise or inducement that is not explicitly stated forth in this Employment Letter.
14. Governing Law: Arbitration. The terms of this offer letter shall be governed by, and construed and interpreted in accordance with, the laws of the State of California without regard to principles of conflict of laws. To the maximum extent permitted by law, any dispute between the parties, including but not limited to those arising out of, or relating to, this Agreement, shall be exclusively decided by binding arbitration in accordance with the terms of the Mutual Agreement to Arbitrate Claims, which is attached as Exhibit D and incorporated into this Employment Letter. The Federal Arbitration Act shall govern the interpretation, enforcement and all proceedings pursuant to the Mutual Agreement to Arbitrate Claims. To the extent that the Federal Arbitration Act is inapplicable, the terms of the Mutual Agreement to Arbitrate Claims shall be construed in accordance with California law.
15. Miscellaneous.
  - (a) This agreement, and your rights and obligations hereunder, may not be assigned by you. The Company may assign its rights, together with its obligations, hereunder in connection with any sale, transfer or other disposition of all or substantially all of its business or assets provided the assignee entity which succeeds to the Company expressly assumes the Company’s obligations hereunder and complies with the terms of this Employment Letter.
  - (b) This agreement cannot be amended orally, or by any course of conduct or dealing, but only by a written agreement signed by the parties hereto.



- (c) The failure of either party to insist upon the strict performance of any of the terms, conditions and provisions of this agreement shall not be construed as a waiver or relinquishment of future compliance therewith, and such terms, conditions and provisions shall remain in full force and effect. No waiver of any term or condition of this agreement on the part of either party shall be effective for any purpose whatsoever unless such waiver is in writing and signed by such party.
- (d) This Employment Letter together with the Exhibits attached hereto sets forth the entire agreement (including by reference the Plan) and understanding of the parties relating to the subject matter hereof, and supersedes all prior agreements, arrangements and understandings, written or oral, relating to the subject matter hereof. No representation, promise or inducement has been made by either party that is not embodied in this agreement, and neither party shall be bound by or liable for any alleged representation, promise or inducement not so set forth.

*[Signature page follows]*

If you wish to accept employment at Kronos Bio, Inc., under the terms described above, please sign and date this letter, and return it to me.

We look forward to your favorable reply and to a productive and enjoyable working relationship.

Very truly yours,

Agreed and Accepted:

By: /s/ Norbert Bischofberger, PhD  
Name: Norbert Bischofberger, PhD  
Title: President and CEO  
Date: 9-19-2018

By: /s/ Philip P. Gutry  
Name: Philip P. Gutry  
Date: 9-19-2018

**EXHIBIT A**

**PERMITTED ACTIVITIES**

[REDACTED]

**EXHIBIT B**

**KRONOS BIO, INC.  
PROPRIETARY INFORMATION AND INVENTION ASSIGNMENT**

[REDACTED]

**EXHIBIT C  
RELEASE AGREEMENT**

[REDACTED]

**EXHIBIT D**  
**MUTUAL AGREEMENT TO ARBITRATE CLAIMS**

[REDACTED]

August 14, 2020

Dr. Yasir Al-Wakeel

**Re: Employment Letter**

Dear Dr. Al-Wakeel:

Kronos Bio, Inc. (the "Company") is pleased to offer you the position of Chief Financial Officer and Head of Corporate Development and Strategy of the Company, on the following terms and conditions:

1. **Title; Reporting; Duties.**
  - (a) As Chief Financial Officer and Head of Corporate Development and Strategy, you will perform such duties as are customarily provided by a Chief Financial Officer and Head of Corporate Development and Strategy of a similarly situated company in the United States and shall have such other responsibilities and duties as may be from time to time directed by the Company. You shall report directly to the Company's Chief Executive Officer.
  - (b) You shall devote substantially all of your business time, attention and energies to the business and affairs of the Company and shall not during the term of your employment be actively engaged in any other business activity, whether or not such business activity is pursued for gain, profit or other pecuniary advantage, that will interfere with the performance of your duties or your availability to perform such duties or that will adversely affect, or negatively reflect upon, the Company. Any such outside business activities that you may wish to pursue during the term of your employment with the Company shall require the prior written consent of the Company's Chief Executive Officer. Notwithstanding the foregoing, you may continue to provide the services set forth on Exhibit A, attached hereto and made a part hereof, in the capacity set forth thereon.
  - (c) Your duties shall be performed primarily at 1300 S. El Camino Real, Suite 300, San Mateo, CA 94402, or such other place as the parties may agree.
2. **Start Date.** Your employment shall commence on August 17, 2020, or such other date as may be agreed to by you and the Company.
3. **Compensation.**
  - (a) **Base Salary.** You shall receive an annual base salary equal to Three Hundred Seventy Thousand Dollars (US\$370,000), which shall be payable in accordance with the Company's payroll practices.
  - (b) **Performance Bonus.** You shall be eligible to receive an annual performance bonus payable in cash at a target amount equal to 35% of your Base Salary, subject to the successful achievement of agreed upon individual and/or corporate performance goals, payable at the same time as such bonuses are generally paid to the Company's executive officers. Any Performance Bonus paid to you for the calendar year 2020 shall be pro-rated.

- (c) **Commencement Bonus.** Within two weeks of your Start Date, the Company shall make a cash payment to you in the amount of One Hundred Thousand Dollars (\$100,000) (the "Commencement Bonus").
- (d) **Relocation Payment.** The Company shall reimburse you for all direct out-of-pocket expenses incurred by you in relocating to the greater San Mateo against documented receipts of such expenses.
- (e) **Rental Expense Reimbursement.** Following your permanent relocation to the greater San Mateo area, the Company shall reimburse you for rental costs incurred by you in an amount up to Seventy-Five Thousand Dollars (\$75,000) against documented receipts of such expenses.
- (f) **Withholding.** Except as expressly stated otherwise, the Company shall withhold all applicable federal, state and local taxes and social security and such other amounts as may be required by law from all amounts payable under this Section 3.
- (g) **Gross-up.** The Company shall pay you an additional payment in an amount such that the net amount retained by you after deduction for any federal, state, and local income tax, employment tax and such other tax as may be required by law as a result of the payments made pursuant to Section 3(d) and 3(e).
- (h) **Clawback.** If your employment with the Company is terminated within two years from the Start Date (i) by you other than for Good Reason (as defined in Section 11(c)), or (ii) by the Company for Cause (as defined in the Company's 2017 Equity Incentive Plan (the "Plan")), then you shall be required to immediately repay the amounts paid to you under Sections 3(c)-(e).

4.

**Equity Awards.**

- (a) **Employment Options.** Subject to the approval of the Board of Directors of the Company (the "Board"), or an authorized committee thereof, you shall be granted a stock option (the "Employment Option") to purchase 450,000 shares of the Company's common stock (the "Employment Option Shares") pursuant to the Plan. Such grant shall be evidenced by an option agreement (the "Option Agreement") to be entered into by and between you and the Company. In the event of a conflict between this Agreement and the Option Agreement, the terms of the Option Agreement shall control. The exercise price per Employment Option Share will be equal to the fair market value per share of the Company's Common Stock as of the date that such Employment Option is granted. The Employment Option shall have a 10-year term and shall vest and become exercisable as follows: (i) 25% upon the first anniversary date of your Start Date (the "Initial Vesting Date"); and thereafter (ii) the remaining unvested Employment Options Shares shall vest in 36 substantially equal monthly installments as of the last calendar day of each month following the Initial Vesting Date.
- (b) **Early Exercise.** All Employment Options shall be immediately exercisable with respect to one hundred percent (100%) of the Employment Option Shares in exchange for restricted shares of Common Stock of the Company (the "Restricted Shares"); provided, however, that the Restricted Shares will be subject to a repurchase right (the "Repurchase Right") in favor of the Company that lapses in accordance with the schedule described



above. Upon termination of your employment, the Company may exercise its Repurchase Right with respect to any or all Restricted Shares for which the Repurchase Right has not lapsed at a price equal to the exercise price per Employment Option Share.

(c) **Accelerated Vesting.**

- (i) All Employment Options shall become fully vested, and the Repurchase Right relating to all Restricted Shares shall lapse, upon the consummation of a Change of Control (as defined in the Plan) that occurs at any time prior to the date that the Company becomes a publicly reporting company.
  - (ii) Following the date on which the Company becomes a publicly reporting company, if your employment is terminated without Cause (as defined in the Plan) or you terminate your employment for Good Reason (as defined in Section 11(c)), in either case at any time beginning on the date that is 90 days prior to the effective date of a Change of Control (as defined in the Plan) and ending on the date that is 12 months following the Change of Control, then (i) all unvested Option Shares and Restricted Shares shall immediately vest in full, and (ii) all Employment Options will remain exercisable for a period of 90 calendar days following the date of such termination, after which time the options shall expire; provided, however, that no such Employment Option shall be exercisable after the expiration of its maximum term.
  - (iii) In order to give effect to Sections 4(c)(i) and (ii), notwithstanding anything to the contrary set forth in any agreement governing an equity award regarding immediate forfeiture of unvested shares upon termination of service or the duration of post-termination of service exercise periods, following any termination of your employment, none of your equity incentive awards shall terminate with respect to any vested or unvested portion subject to such equity award before 90 days following such termination.
5. **Expenses.** The Company will reimburse you for all normal, usual and necessary expenses incurred in furtherance of the business and affairs of the Company upon timely receipt by the Company of appropriate vouchers or other proof of your expenditures and otherwise in accordance with any expense reimbursement and approval policy as may from time to time be adopted by the Company.
  6. **Benefits.** As a regular full-time employee, you shall be entitled to participate in the employee benefits made available to senior executives of the Company, in accordance with the terms of such benefits plans and programs. Details on each plan and program will be provided at the time of hire. The Company, in its sole discretion, has the right to amend or terminate any benefit plan or program at any time and without prior notice. Your health benefits will be effective on the effective date of your hire if you timely enroll when you commence employment with Kronos.
  7. **Paid Time Off.** Consistent with the Company's Time Off Policy, during each year of your employment you shall not accrue vacation benefits but are entitled to an indeterminate amount of personal time off subject to approval from your supervisor and as operational conditions permit. Under the Company's policy, you will still be responsible for meeting the expectations and requirements of your position including timely and satisfactorily completing

all work assignments while taking time off. This may include being required to respond to emails, telephone calls, mobile messages and other forms of communication. For purposes of the Company's policy, this personal time off is in addition to company recognized holidays or sick leave. You will accrue sick leave consistent with applicable California law. Sick leave may be used for yourself or a family member for the diagnosis, care or treatment of an existing health condition or preventive care, or specified purposes set forth in the Company's policy if you are a victim of domestic violence, sexual assault, or stalking. Notwithstanding the foregoing, you shall not be entitled to take more than two consecutive weeks of time off without the prior written consent of the Company.

8. Representations and Warranties. You hereby represent and warrant as follows:

- (a) By accepting the Company's offer of employment, you represent that you have no agreements, relationships, or commitments with any other person or entity that conflict with your obligations to the Company.
- (b) You have the full right, power and legal capacity to enter and deliver this Agreement and to perform your duties and other obligations hereunder. This Agreement constitutes the legal, valid and binding obligation of the parties, enforceable against each in accordance with its terms. No approvals or consents of any persons or entities are required for you to execute and deliver this Agreement or perform your duties and other obligations hereunder.
- (c) You represent and warrant to the Company that you have not brought and shall not bring with you to the Company, or use in the performance of your duties, any materials or documents of any former employer that are not generally available to the public, unless you have obtained written authorization from the former employer for their possession and use and provided the Company with a copy thereof.

9. Conditions to Employment. This offer of employment is contingent upon, and your employment shall be subject to:

- (a) execution of the Company's form of Proprietary Information and Invention Assignment Agreement attached hereto as Exhibit B, which prohibits unauthorized use or disclosure of the Company's proprietary information;
- (b) completion of a background examination to the reasonable satisfaction of the Company; and
- (c) satisfying the requirements of the Immigration Control and Reform Act, which may be accomplished by showing your proof of right to work in the U.S. within three days of commencing employment (see <http://www.uscis.gov/i-9> for a list of acceptable proof, such as (i) an original drivers license and social security card, or (ii) a passport).
- (d) Notwithstanding the foregoing, this offer may be withdrawn by the Company at any time prior to its execution by the Company.

10. Employment-at-will and Termination. Your employment shall be at-will. Accordingly, you may terminate your employment with the Company at any time and for any reason whatsoever, without or without advance notice, simply by notifying the Company in writing.

Similarly, the Company may terminate your employment at any time and for any reason whatsoever, with or without cause or advance notice. This at-will relationship cannot be changed except in a writing signed by a duly authorized officer of the Company and you. The employment terms contained in this Agreement supersede any other agreements and promises made to you by the Company or any representative on its behalf, whether oral, written or implied.

11. Severance.

- (a) In the event that at any time your employment is terminated by the Company without Cause (as defined in the Plan), or by you for Good Reason (as defined below), then:
- (i) the Company shall pay your accrued but unpaid Base Salary through the date of termination, at the rate in effect at the time of termination, accrued but unused vacation, and reimburse you for any unreimbursed business expenses incurred prior to the date of termination;
  - (ii) the Company shall continue to pay your Base Salary at the rate in effect at the time of termination (without regard to any reduction in Base Salary that served as the basis for a resignation for Good Reason) for a period of 180 days following the date of termination in accordance with the Company's ordinary payroll practice;
  - (iii) to the extent permitted by applicable healthcare laws and provided that you make a timely election to continue coverage, the Company shall pay directly to the insurance provider the premium for COBRA continuation coverage for you and your dependents, less the amount payable by an active employee for such coverage, for a period of 180 days or until he obtains new employment, whichever comes first (the benefits provided in this Section 11(a)(iii) shall be referred to as the "Continued Benefits"). Notwithstanding the foregoing, in the event that applicable healthcare laws do not permit continuation of coverage, then the Company shall reimburse you for the costs of obtaining coverage in an amount not to exceed the coverage amounts paid or payable by you immediately prior to the date of termination; and
  - (iv) (A) all unvested equity grants described in Section 4 and any other Company equity compensation awards you then hold ("Equity Awards") shall immediately vest in full and the Repurchase Right relating to all Restricted Stock shall lapse, and (B) all Equity Awards will remain exercisable for a period of 90 calendar days following the date of such termination, after which time the Equity Awards shall expire; provided, however, that no such Equity Award shall be exercisable after the expiration of its maximum term. In order to give effect to the foregoing provision, notwithstanding anything to the contrary set forth in any agreement governing an equity award regarding immediate forfeiture of unvested shares upon termination of service or the duration of post-termination of service exercise periods, following any termination of your employment, none of your equity incentive awards shall terminate with respect to any vested or unvested portion subject to such equity award before 90 days following such termination.

- (b) In the event that your employment is terminated by the Company for Cause, or by you other than for Good Reason, then:
- (i) the Company shall pay your accrued but unpaid Base Salary through the date of termination, at the rate in effect at the time of termination, accrued but unused vacation, and reimburse you for any unreimbursed business expenses incurred prior to the date of termination;
  - (ii) you shall not be entitled to receive any payments and Continued Benefits described in this Section 11; and
  - (iii) the vesting applicable to all Equity Awards granted to you by the Company shall cease immediately and you shall have a period of 90 days to exercise any and all vested Equity Awards, after which time all Equity Awards shall expire; provided, however, that no such Equity Award shall be exercisable after the expiration of its maximum term pursuant to the terms thereof.
- (c) For purposes of this Agreement: “Good Reason” shall mean (A) any material diminution by the Company of your title, duties, authority or Base Salary (including without limitation any requirement that you report to any person(s) other than the Chief Executive Officer); or (B) a material breach by the Company of any of the provisions contained in this Agreement, which, if capable of being cured, is not cured by the Company within 30 days after written notice thereof by you to the Company.
- (d) This Section 11 sets forth the only obligations of the Company with respect to the termination of your employment with the Company, and you acknowledges that, upon the termination of your employment, you shall not be entitled to any payments or benefits which are not explicitly provided in this Section 11. Further, notwithstanding anything to the contrary contained herein, the Company shall have no obligation to pay, and you shall have no right to receive, any compensation, benefits or other consideration provided for in this Section 11 (other than any accrued but unpaid Base Salary through the date of termination and any reimbursement of unreimbursed expenses incurred prior to the date of termination) (the “Payments”) unless you execute a release agreement substantially in the form attached hereto as Exhibit C to the Company (the “Release Agreement”) releasing the Company from any and all liability in connection with your employment or the termination thereof that becomes effective no later than 60 days following your termination (the “Release Deadline”). Except as required by Section 13, the Payments will commence on the first payroll period following the Release Agreement becoming effective; provided, that (i) if the Payments (or any portion thereof) constitute “deferred compensation” within the meaning of Section 409A (as defined in Section 13) and (ii) the period commencing on the date of termination and ending on the Release Deadline spans two calendar years, then the Payments (or such portion thereof that constitute “deferred compensation”) will commence on the later of the Release Agreement becoming effective and the first payroll date of the Company in the second calendar year. Any portion of the Payments that is delayed due to the application of the preceding sentence shall be made on the date that the Payments commence.
- (e) The Company shall withhold all applicable federal, state and local taxes and social security and such other amounts as may be required by law from all amounts payable to

you under this Section 11. The provisions of this Section 11 shall survive any termination of this Agreement.

12. No Reliance by You on Promise or Representation Not in this Agreement. In accepting employment with the Company and signing this Agreement, you agree that you are not relying on any representation, promise or inducement that has been made by the Company or any representative on its behalf that is not explicitly stated in this Agreement. The Company is not bound by and will not be liable for any representation, promise or inducement that is not explicitly stated forth in this Agreement.
13. Section 409A. Notwithstanding anything to the contrary set forth herein, any payments and benefits provided under this offer letter that constitute “deferred compensation” within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) and the regulations and other guidance thereunder and any state law of similar effect (collectively, “Section 409A”) and that are payable in connection with your termination of employment shall not commence unless and until you have also incurred a “separation from service” within the meaning of Section 409A, unless the Company reasonably determines that such amounts may be provided to you without causing you to incur the additional 20% tax under Section 409A. If you are, upon a separation from service, a “specified employee” within the meaning of Section 409A, then, solely to the extent necessary to avoid the incurrence of the adverse personal tax consequences under Section 409A, the payment of any deferred compensation shall not commence until the earlier to occur of: (i) the date that is six months and one day after your separation from service, or (ii) the date of your death. Any payments that are delayed due to the application of the preceding sentence shall be made on the date that payments commence. For purposes of Section 409A, the right to a series of installment payments under this offer letter shall be treated as a right to a series of separate payments.
14. Governing Law. The terms of this offer letter shall be governed by, and construed and interpreted in accordance with, the laws of the State of California without regard to such state’s principles of conflict of laws, except as provided in Section 14.
15. Arbitration. To the maximum extent permitted by law, any dispute between the parties, including but not limited to those arising out of, or relating to, this Agreement, shall be exclusively decided by binding arbitration in accordance with the terms of the Arbitration Agreement, which is attached as Exhibit D and incorporated into this Agreement. The Federal Arbitration Act shall govern the interpretation, enforcement and all proceedings pursuant to the Arbitration Agreement. To the extent that the Federal Arbitration Act is inapplicable, the terms of the Arbitration Agreement shall be construed in accordance with California law.
16. Miscellaneous.
  - (a) This agreement, and your rights and obligations hereunder, may not be assigned. The Company may assign its rights, together with its obligations, hereunder in connection with any sale, transfer or other disposition of all or substantially all of its business or assets provided the assignee entity which succeeds to the Company expressly assumes the Company’s obligations hereunder and complies with the terms of this Agreement.

- (b) This agreement cannot be amended orally, or by any course of conduct or dealing, but only by a written agreement signed by the parties hereto.
- (c) The failure of either party to insist upon the strict performance of any of the terms, conditions and provisions of this agreement shall not be construed as a waiver or relinquishment of future compliance therewith, and such terms, conditions and provisions shall remain in full force and effect. No waiver of any term or condition of this agreement on the part of either party shall be effective for any purpose whatsoever unless such waiver is in writing and signed by such party.
- (d) This agreement sets forth the entire agreement and understanding of the parties relating to the subject matter hereof, and supersedes all prior agreements, arrangements and understandings, written or oral, relating to the subject matter hereof. No representation, promise or inducement has been made by either party that is not embodied in this agreement, and neither party shall be bound by or liable for any alleged representation, promise or inducement not so set forth.
- (e) This Agreement may be executed in counterparts, each of which will be deemed an original, and all of which together will be deemed to be one and the same instrument. A portable document format (".pdf") copy of this Agreement, including the signature pages, will be deemed an original.

If you wish to accept employment at Kronos Bio, Inc., under the terms described above, please sign and date this letter, and return it to me.

We look forward to your favorable reply and to a productive and enjoyable working relationship.

Very truly yours,

**Kronos Bio, Inc.**

By: /s/ Norbert Bischofberger  
Name: Norbert Bischofberger, Ph.D.  
Title: Chief Executive Officer  
Date: August 16, 2020

**Agreed and Accepted:**

By: /s/ Yasir Al-Wakeel  
Name: Dr. Yasir Al-Wakeel  
Date: August 14, 2020

**EXHIBIT A**

**SCHEDULE OF APPROVED OUTSIDE BUSINESS ACTIVITIES**

[REDACTED]

**EXHIBIT B**

**PROPRIETARY INFORMATION AND INVENTION ASSIGNMENT AGREEMENT**

[REDACTED]



**EXHIBIT C**

**RELEASE AGREEMENT**

[REDACTED]

**EXHIBIT D**

**MUTUAL AGREEMENT TO ARBITRATE CLAIMS**

[REDACTED]

**OFFICE LEASE**

**BY AND BETWEEN**

**DWF IV 1300 S EL CAMINO, LLC,  
A Delaware limited liability company,  
As Landlord**

**And**

**KRONOS BIO, INC.,  
a Delaware corporation,  
as Tenant**

**For Leased Premises at Suite 300,  
1300 South El Camino Real, San Mateo, California 94402**

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**OFFICE LEASE**

THIS OFFICE LEASE ("Lease") is entered and dated for reference purposes only as July 19, 2018, by and between "Landlord" and "Tenant" (as such terms are defined below).

**ARTICLE 1 SALIENT LEASE TERMS**

In addition to the terms defined throughout this Lease, the following salient terms shall have the following meanings when referred to in this Lease:

- 1.1 **Rent Payment Address:** For payment by mail:  
DWF IV 1300 S EL CAMINO, LLC  
c/o DivcoWest Real Estate Services, Inc.  
P.O. Box 7399  
San Francisco, CA 94120-7399
- Instructions for payment by wire, electronic and ACH:  
Pursuant to separate instructions from Landlord
- 1.2 **"Landlord" and Notice Address:** DWF IV 1300 S El Camino, LLC,  
c/o DivcoWest Real Estate Services, Inc.  
1065 E. Hillsdale Blvd., Suite 104  
Foster City, CA 94404  
Attn.: Property Manager
- With a copy to: DivcoWest Real Estate Services, Inc.  
575 Market Street, 35th floor  
San Francisco, CA 94105  
Attention: Asset Manager
- 1.3 **"Tenant" and Notice Address** Kronos Bio, Inc.
- Prior to Commencement Date:**  
Kronos Bio, Inc.  
689 Fifth Avenue, 12<sup>th</sup> Floor  
New York, NY 10022  
Attention: Corporate Secretary
- From and after Commencement Date:**  
At the Premises  
Attention: Traci Carrithers
- 1.4 **"Leased Premises:"** Approximately 4,661 square feet of Rentable Area (hereinafter defined) in Suite 300 of the Building.
- 1.5 **"Building:"** That building located at 1300 South El Camino Real, San Mateo, California 94402, containing approximately 90,869 square feet of Rentable Area, which shall be deemed the actual square footage of Rentable Area in the Building.
- 1.6 **Complex:** The "**Complex**" means (i) the Building and the Common Areas (hereinafter defined), (ii) the land upon which the Building and the Common Areas are located 1300 South El Camino Real, California 94402, and (iii) at Landlord's discretion, any additional real property, areas, land, building or other improvements added thereto outside of the Complex.

1.7 **Estimated Commencement Date:** August 1, 2018 ("**Estimated Commencement Date**")

1.8 **"Term:"** Thirty-seven (37) months following the Commencement Date, plus any partial month for the month in which the Commencement Date occurs if the Commencement Date occurs on other than the first day of a calendar month. If the Commencement Date is other than the first day of a calendar month, the first month shall include the remainder of the calendar month in which the Commencement Date occurs plus the first full calendar month thereafter; provided, however, that the inclusion of any partial month in the first full calendar month shall not entitle Tenant to any additional free rent. Any free rent shall be applied on a daily basis (based on a 30 day month) so that Tenant does not receive additional free rent if the first month includes a full calendar month plus any partial month.

1.9 **"Minimum Monthly Rent:"** The Minimum Monthly Rent shall be as follows:

Months	Minimum Monthly Rent
1 – 12	\$25,402.45 subject to abatement for the Rent Abatement Period as provided below
13 – 24	\$26,164.52
25 – 36	\$26,949.46
37	\$27,757.94

The foregoing schedule starts as of the Commencement Date of the Term of the Lease.

Landlord hereby agrees to abate Tenant's obligation to pay Minimum Monthly Rent for the first month of the Term (the "**Rent Abatement Period**"). Tenant acknowledges that any default by Tenant under this Lease will cause Landlord to incur costs not contemplated hereunder, the exact amount of such costs being extremely difficult and impracticable to ascertain, therefore, should Tenant at any time during the Term be in default after having been given notice and opportunity to cure, then the total unamortized sum of such abated Minimum Monthly Rent for the Rent Abatement Period (amortized on a straight line basis over the initial Term of this Lease) so conditionally excused shall become immediately due and payable by Tenant to Landlord; provided, however, Tenant acknowledges and agrees that nothing in this subparagraph is intended to limit any other remedies available to Landlord at law or in equity under applicable law (including, without limitation, the remedies under Civil Code Section 1951.2 and/or 1951.4 and any successor statutes or similar laws), in the event Tenant defaults under this Lease beyond any applicable notice and cure period.

1.10 **Base Year for** For Base Operating Costs: 2018 calendar year  
**"Base Year Costs:"** For Base Taxes: 2018 calendar year.

1.11 **"Security Deposit:"** \$27,757.94.

1.12	<b>"Permitted Use:"</b>	The Leased Premises shall be used solely for general office and administrative purposes, but for no other use.
1.13	<b>Proportionate Share:</b>	Tenant's initial Proportionate Share is 5.13% based on the ratio that the Rentable Area of the Leased Premises bears to the Rentable Area of the Building.
1.14	<b>"Broker(s):"</b>	Jones Lang LaSalle Brokerage, Inc., represents Landlord, and Intero Real Estate Services, Inc. represents Tenant.
1.16	<b>Guarantor</b>	Not Applicable.
1.17	<b>Parking Allocation:</b>	Fifteen (15) parking passes based on the ratio of 3.3 parking spaces for each 1,000 rentable square feet of Rentable Area in the Leased Premises.
1.18	<b>Contents:</b>	Included as part of this Lease are the following Exhibits and addenda which are attached hereto and incorporated herein by this reference:  Exhibits:                                 A - Floor Plan of the Leased Premises B - Work Letter for Tenant Improvements C - Acknowledgment of Commencement Date D - Rules & Regulations

**ARTICLE 2 ADDITIONAL DEFINITIONS**

The terms defined in this Article 2 shall, for all purposes of this Lease and all agreements supplemental hereto, have the meanings herein specified, unless expressly stated otherwise.

**"Base Operating Costs"** means the Operating Costs for the calendar year set forth in Section 1.10 hereof as such Operating Costs shall be increased to be what the Operating Costs would have been if the Building were one hundred percent (100%) leased and occupied during such calendar year.

**"Base Taxes"** means the Taxes for the calendar year set forth in Section 1.10 hereof.

**"Commencement Date"** shall mean the earlier of (a) the date by which the Tenant Improvements to be constructed by Landlord pursuant to Exhibit B, if any, have been "Substantially Completed," subject to "Tenant Delays" and "Force Majeure Delays" (as such terms are defined in Exhibit B), and (b) the date Tenant takes possession of the Leased Premises. However, if there is any delay in Substantially Completing the Tenant Improvements due to any Tenant Delay, then such delay shall thereupon effect a postponement of the date by which Landlord is obligated to substantially complete the Tenant Improvements; however, the Commencement Date shall be deemed the date the Tenant Improvements would have been Substantially Completed but for the Tenant Delays. Thus, the date for commencement of the free rent, Rent and all additional rent shall not be delayed by Tenant Delay.

**"Common Areas"** shall mean all areas and facilities outside the Leased Premises within the exterior boundaries of the parcel of land containing the Complex of which the Leased Premises form a part, together with the parking and access areas within the Complex, all as provided and designated by Landlord from time to time for the general use and convenience of Tenant and of other tenants of Landlord having the common use of such areas, and their respective authorized representatives and invitees. The Common Areas consist of the Complex Common Areas and the Building Common Areas. The **"Complex Common Areas"** as used in this Lease shall mean the portion of the Complex designated as such by Landlord. The **"Building Common Areas"** as use in this Lease shall mean the portions of the Common Areas located within the Building designated as such by Landlord. As of the date of this Lease, Common Areas include, without limitation, corridors, stairways, elevator shafts, janitor rooms in the Building, the driveways, and landscaped areas in the Complex. Landlord reserves the right to temporarily close, make alterations or additions to, or change the location of elements of the Complex and the Common Areas from time to time. The Common Areas may in Landlord's sole discretion include the Common

Facilities (as hereinafter defined). The "Common Facilities" may include conference and training rooms designated by Landlord from time to time and Landlord reserves the right in its sole and absolute discretion to remove the Common Facilities at any time and use the space as additional space available for rent by a third party.

"**Insurance Costs**" shall mean all premiums and costs and expenses for all policies of insurance which may be obtained by Landlord in its discretion for (a) the Leased Premises, Building and the Complex, or any blanket policies which include the Building or Complex, covering damage thereto and loss of rents caused by fire and other perils Landlord elects to cover, including, without limitation, coverage for earthquakes and floods, (b) commercial general liability insurance for the benefit of Landlord and its designees and (c) such other coverage Landlord elects to obtain for the Leased Premises, Building or the Complex, including, without limitation, coverage for environmental liability and losses.

"**Lease Year**" means any fiscal year (as determined by Landlord), or portion thereof, following the commencement hereof, the whole or any part of which period is included within the Term.

"**Operating Costs**" means the total amounts paid or payable, whether by Landlord or others on behalf of Landlord, in connection with the ownership, maintenance, repair, replacement and operations of the Complex in accordance with Landlord's standard operating and accounting procedures. Since the Complex consists of more than one building, certain Operating Costs may pertain to a particular building(s) and other Operating Costs to the Complex as a whole (such as Operating Costs for the Common Areas of the Complex). Operating Costs shall include, but not be limited to, the aggregate of the amount paid for the following costs at the Complex:

- (1) all fuel used in heating and air conditioning;
- (2) the amount paid or payable for all electricity furnished, arranged or obtained by Landlord (other than electricity furnished to and paid for by other tenants by reason of their extraordinary consumption of electricity and that furnished to the other building in the Complex for which the tenants of such other building are responsible for such electrical costs);
- (3) the cost of periodic relamping and rebalasting of lighting fixtures;
- (4) the amount paid or payable for all hot and cold water (other than that chargeable to Tenants by reason of their extraordinary consumption of water and that furnished to other buildings in the Complex for which the tenants of such other building are responsible for such water costs) and sewer costs;
- (5) the amount paid or payable for all labor and/or wages and other payments including cost to Landlord of workers' compensation and disability insurance, payroll taxes, welfare and fringe benefits made to janitors, caretakers, network communication and programing personnel and other employees, contractors and subcontractors of Landlord (including wages of the building managers) involved in the management, operation, maintenance and repair of the Complex;
- (6) the total charges of any independent contractors employed in the repair, care, operation, maintenance, and cleaning of the Complex;
- (7) the amount paid or payable for all supplies occasioned by everyday wear and tear;
- (8) the costs of climate control, window and exterior wall cleaning, telephone and utility costs of the Complex;
- (9) the cost of accounting services necessary to compute the rents and charges payable by tenants and keep the books of the Complex;
- (10) Fees for property management services rendered by either Landlord or a third party manager engaged by Landlord (which may be a party affiliated with Landlord), not to exceed the monthly rate of 5% of the gross revenues from the Complex, plus charges for office rent for property management, supplies, equipment, salaries, wages, bonuses and other compensation (including fringe benefits, vacation, holidays and other



paid absence benefits) relating to employees of Landlord or its property manager or agents engaged in the management, operation, repair, or maintenance of the Complex (to the extent each of the foregoing individuals are not paid in excess of the costs of services that typically are performed by a building manager, property manager, regional property manager or asset manager regardless of the actual title of the person performing such service);

- (11) fees for legal, accounting (including, without limitation, any outside audit as Landlord may elect in its sole and absolute discretion), inspection and consulting services;
- (12) the cost of operating, repairing and maintaining the elevators;
- (13) the cost of porters, guards, alarm (including any central station signaling systems) and other protection services;
- (14) the cost of establishing and maintaining the directory board except to the extent paid by Tenant or other tenants of the Complex pursuant to Section 23.2;
- (15) payments for general maintenance and repairs to the plant and equipment supplying climate control at the Complex;
- (16) the cost of supplying the type of services referred to in Article 11 hereof to the extent such services are not paid by individual tenants;

(17) amortization of the costs, including repair and replacement, of all maintenance and cleaning equipment and master utility meters and of the costs incurred for repairing or replacing all other fixtures, equipment and facilities serving or comprising a part of the Complex (including any equipment leasing costs associated therewith if applicable) which by their nature require periodic or substantial repair or replacement, and which are not charged fully in the year in which they are incurred, at rates on the various items determined from time to time by Landlord in accordance with sound accounting principles;

(18) community association dues, assessments and charges and property owners' association dues, assessments and charges which may be imposed upon Landlord by virtue of any recorded instrument affecting title to the Building and the cost of any licenses, permits and inspection fees;

(19) all costs to upgrade, improve or change the utility, efficiency or capacity of any utility or telecommunication system serving the Complex;

(20) the repair and replacement, resurfacing and/or repaving of any paved areas, curbs or gutters of the Complex;

(21) the repair and replacement of any equipment or facilities serving or located within the Complex;

(22) the cost of any capital repairs, improvements and replacements made by the Landlord to the Complex, whether or not categorized in any of the items listed above (collectively, "**Capital Costs**")

which are (a) required to be made in order to conform to changes subsequent to the Commencement Date in any applicable laws, ordinances, rules, regulations, or orders of any governmental authority having jurisdiction over the Building or Common Areas ("**laws**"), or are first required to be made after the Commencement Date under any existing laws (noncompliance with any laws in effect as of the Commencement date of this Lease which is permitted under applicable law because such improvements were in compliance with applicable laws as of the date they were constructed shall be considered to be in compliance with applicable law under this Paragraph), (b) incurred for the purpose of reducing other operating expenses or utility costs, or (c) performed to install new or replace capital improvements or building service equipment when required because of normal wear and tear. The Capital Costs shall be includable in Operating Costs each year only to the extent of that fraction allocable to the year in question calculated by amortizing such Capital Cost over the reasonably useful life of the improvement resulting therefrom, as determined by Landlord in its good faith discretion, with interest on the unamortized balance at the higher of (i) eight percent (8%) per annum; or (ii) the interest rate as may have been paid by Landlord for the funds

borrowed for the purpose of performing the work for which the Capital Costs have been expended, but in no event to exceed the highest rate permissible by law; and

(24) Insurance Costs.

Operating Costs shall not include legal, accounting or other professional expenses incurred expressly for negotiating, preparing or enforcing a lease with a particular tenant, or as a result of a default of a specific tenant. Operating Costs shall further exclude the following:

- (a) interest, principal, points and fees on debts or amortization on any mortgage or mortgages or any other debt instrument encumbering the Complex;
- (b) such of the Operating Costs as are recovered from insurance proceeds or which were required by this Lease to be covered by insurance or which were paid for directly by Tenant or any third party;
- (c) Costs arising from Landlord's charitable or political contributions;
- (d) Brokers' or other leasing commissions and costs incurred in connection with entering into new leases or disputes under existing leases;
- (e) costs associated with bad debt losses;
- (f) expenses for any item or service not provided, offered or available to Tenant, but provided exclusively to certain other tenants at the Complex;
- (g) depreciation and amortization on any mortgage;
- (h) any ground lease or underlying lease payments;
- (i) marketing costs including leasing commissions, attorneys' fees in connection with the negotiation and preparation of letters, deal memos, letters of intent, leases, subleases and/or assignments, space planning costs, and other costs and expenses incurred in connection with lease, sublease and/or assignment negotiations and transactions with present or prospective tenants or other occupants of the Complex;
- (j) costs for acquisition of sculpture, paintings or other objects of art, except to the extent to replace, when necessary, any sculpture, paintings or other objects of art existing at the Complex as of the date of this Lease so long as such item replaced is of like kind and quality;
- (k) any costs, fines or penalties incurred due to violations by Landlord of any legal requirement which may have been in effect as of the Commencement Date of this Lease;
- (l) expenses for any item or service not provided, offered or available to Tenant, but provided exclusively to certain other tenants in the Building;
- (m) expenses for tenant improvement work or allowances, inducements, and other concessions for any tenant;
- (n) the cost of any repairs, improvements, or replacements made to remedy any structural defect in the original structural design or construction of the Building or other buildings in the Complex; and
- (l) capital expenditures which are not included in the definition of Capital Costs set forth above.

"Proportionate Share" or "Pro Rata Percent" shall be that fraction ( converted to a percentage) the numerator of which is the Rentable Area (hereinafter defined) of the Leased Premises and the denominator of which is the Rentable Area of the Building. Tenant's Proportionate Share as of the commencement of the Term hereof is specified in Section 1.13. Said Proportionate Share may be recalculated by Landlord as may be required effective as at the commencement of any period to which the calculation is applicable in this Lease. Notwithstanding the

preceding provisions of this Section, Tenant's Proportionate Share as to certain expenses may be calculated differently to yield a higher percentage share for Tenant as to certain expenses in the event Landlord permits other tenants in the Building to directly incur such expenses rather than have Landlord incur the expense in common for the Building (such as, by way of illustration, wherein a tenant performs its own janitorial services). In such case Tenant's proportionate share of the applicable expense shall be calculated as having as its denominator the Rentable Area of all floors rentable to tenants in the Building less the Rentable Area of tenants who have incurred such expense directly. In any case in which Tenant, with Landlord's consent, incurs such expenses directly, Tenant's proportionate share will be calculated specially so that expenses of the same character which are incurred by Landlord for the benefit of other tenants in the Building shall not be prorated to Tenant. Nothing herein shall imply that Landlord will permit Tenant or any other tenant of the Building to incur any Operating Costs. Any such permission shall be in the sole discretion of the Landlord, which Landlord may grant or withhold in its arbitrary judgment.

"**Real Estate Taxes**" or "**Taxes**" shall mean and include, to the extent the same are applicable during the Term, all general and special taxes, assessments, fees of every kind and nature, duties and levies, charged and levied upon or assessed by any governmental authority against the parcel containing the Building and all other improvements on such parcel, including the various estates in such parcel and the Building and improvements thereon, any leasehold improvements, fixtures, installations, additions and equipment, whether owned by Landlord or Tenant or any other tenant; except that it shall exclude any taxes of the kind covered by Section 6.1 hereof to the extent Landlord is reimbursed therefor by any tenant in the Building. Real Estate Taxes shall also include the reasonable cost to Landlord of contesting the amount, validity, or the applicability of any Taxes mentioned in this Section but only to the extent of the savings. Further included in the definition of Taxes herein shall be general and special assessments, license fees, commercial rental tax, levy, or tax (other than inheritance or estate taxes) imposed by any authority having the direct or indirect power to tax, as against any legal or equitable interest of Landlord in the Leased Premises, Building, parcel or in the Complex or on the act of entering into this Lease or, as against Landlord's right to rent or other income therefrom, or as against Landlord's business of leasing the Leased Premises, Building, parcel or the Complex, any tax, fee, or charge with respect to the possession, leasing, transfer of interest, operation, management, maintenance, alteration, repair, use, or occupancy by Tenant, of the Leased Premises, Building, parcel or any portion thereof or the Complex, or any tax imposed in substitution, partially or totally, for any tax previously included within the definition of Taxes herein, or any additional tax, the nature of which may or may not have been previously included within the definition of Taxes. Further, if at any time during the term of this Lease the method of taxation or assessment of real estate or the income therefrom prevailing at the time of execution hereof shall be, or has been altered so as to cause the whole or any part of the Taxes now or hereafter levied, assessed or imposed on real estate to be levied, assessed or imposed upon Landlord, wholly or partially, as a capital levy, business tax, fee, permit or other charge, or on or measured by the Rents received therefrom, then such new or altered taxes, regardless of their nature, which are attributable to the land, the Building or to other improvements on the land shall be deemed to be included within the term "Real Estate Taxes" for purposes of this Section, whether in substitution for, or in addition to any other Real Estate Taxes, save and except that such shall not be deemed to include any enhancement of said tax attributable to other income of Landlord. With respect to any general or special assessments which may be levied upon or against the Leased Premises, Building, Complex, or the underlying realty, or which may be evidenced by improvement or other bonds, and may be paid in annual or semi-annual installments, only the amount of such installment, prorated for any partial year, and statutory interest shall be included within the computation of Taxes for which Tenant is responsible hereunder. Taxes shall also include any governmental or private assessments or the Complex's contribution towards a governmental or private cost-sharing agreement, such as by way of example only, a business improvement district, for the purpose of augmenting or improving the quality of services and amenities normally provided by governmental agencies.

Notwithstanding anything to the contrary contained in the foregoing definition of Real Estate Taxes, Tenant shall not be responsible or liable for the payment of any state or federal income taxes assessed against Landlord, or any estate, succession or inheritance taxes of Landlord, or corporation franchise taxes imposed upon the corporate owner of the fee of the Building.

"**Rent**" "**rent**" or "**rental**" means Minimum Monthly Rent and all other sums required to be paid by Tenant pursuant to the terms of this Lease.

"Rentable Area" as used in the Lease shall be determined as follows:

(a) Single-Tenant Floor. As to each floor of the Building on which the entire space rentable to tenants is or will be leased to one tenant, Rentable Area shall be the entire area bounded by the inside surface of the exterior glass walls on such floor, including all areas used for elevator lobbies, corridors, special stairways, special elevators, restrooms, mechanical rooms, electrical rooms and telephone closets, without deduction for columns and other structural portions of the Building or vertical penetrations that are included for the special use of Tenant, but excluding the area contained within the interior walls of the Building stairs, fire towers, vertical ducts, elevator shafts, flues, vents, stacks, pipe shafts, and the rentable square footage described in Paragraph (c) below.

(b) Multi-Tenant Floor. As to each floor of the Building on which space is or will be leased to more than one tenant, Rentable Area attributable to each such lease shall be the total of (i) the entire area included within the Leased Premises covered by such lease, being the area bounded by the inside surface of any exterior glass walls, the exterior of all walls separating such Leased Premises from any public corridors or other public areas on such floor, and the centerline of all walls separating such Leased Premises from other areas leased or to be leased to other tenants on such floors, (ii) a pro rata portion of the area within the elevator lobbies, corridors, restrooms, mechanical rooms, electrical rooms, telephone closets and their enclosing walls situated on such floor and (iii) the rentable square footage described in Paragraph (c) below.

(c) Building Load. In any event, Rentable Area set forth above is deemed to include Tenant's Proportionate Share of the lobbies of the Building and Tenant's Proportionate Share of the area of the emergency equipment, fire pump equipment, electrical switching gear, telephone equipment and mail delivery facilities serving the Building.

(d) Deemed Square Footage. The Rentable Area of the Leased Premises is deemed to be the square footage set forth in Section 1.4 of this Lease as of the date hereof, and Rentable Area of the Building is deemed to be the square footage set forth in Section 1.5 hereof.

"Structural" as herein used shall mean any portion of the Leased Premises, Building or Common Areas of the Complex which provides bearing support to any other integral member of the Leased Premises, Building or Common Areas of the Complex such as, by limitation, the roof structure (trusses, joists, beams), posts, load bearing walls, foundations, girders, floor joists, footings, and other load bearing members constructed by Landlord.

"Tenant Improvements" shall mean the Tenant Improvements, as defined in Exhibit B attached hereto, to be constructed by Landlord pursuant to Exhibit B attached hereto.

#### ARTICLE 3 PREMISES AND COMMON AREAS

3.1 Demising Clause. Landlord hereby leases to Tenant, and Tenant hires from Landlord the Leased Premises, consisting of the approximate square footage listed in Section 1.4 of the Salient Lease Terms, which the parties agree shall be deemed the actual square footage, subject to change by Landlord in connection with changes in the Rentable Area of the floor on which the Leased Premises are located.

3.2 Reservation. So long as the same does not materially and unreasonably interfere with Tenant's business operations in the Leased Premises, Landlord reserves the area beneath and above the Building as well as the exterior thereof together with the right to install, maintain, use, repair and replace pipes, ducts, conduits, wires, and structural elements leading through the Leased Premises serving other parts of the Building and Common Areas of the Complex, so long as such items are concealed by walls, flooring or ceilings. Such reservation in no way affects the maintenance obligations imposed herein. So long as Tenant's access and use of the Leased Premises are not materially and unreasonably affected, Landlord may change the shape, size, location, number and extent of the improvements to any portion of the Building or Common Areas of the Complex and/or the address or name of the Building without the consent of Tenant.

3.3 Covenants, Conditions and Restrictions. The parties agree that this Lease is subject to the effect of (a) any covenants, conditions, restrictions, easements, mortgages or deeds of trust, ground leases, rights of way of record, and any other matters or documents of record; (b) any zoning laws of the city, county and state where the

Complex is situated; and (c) general and special taxes not delinquent. Tenant agrees that as to its leasehold estate, Tenant and all persons in possession or holding under Tenant will conform to and will not violate the terms of any covenants, conditions or restrictions of record which may now or hereafter encumber the Building or the Complex (hereinafter the "**restrictions**"). This Lease is subordinate to the restrictions and any amendments or modifications thereto. Landlord represents that as of the date of this Lease the use of the Leased Premises for the Permitted Use will not violate the restrictions.

3.4 **Common Areas.** 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, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Landlord under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Building or the Complex and subject to the requirements and limitations on the use of parking areas. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Landlord or Landlord's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur then Landlord shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Tenant, which cost shall be immediately payable upon demand by Landlord.

If Landlord establishes Common Facilities (hereinafter defined), then Tenant may use, in common with Landlord's employees, contractors, agents, invitees, and other tenants, those portions of the Building that are designated by Landlord from time to time as be available for common use (the "**Common Facilities**"). The Common Facilities include certain conference and training rooms designated by Landlord from time to time. Notwithstanding the foregoing, Tenant's use of any Common Facilities shall be subject to such rules regarding scheduling and priority as may be promulgated by Landlord from time to time. Tenant shall cause its employees, invitees, guests and contractors to use the Common Facilities (i) in a clean, safe and sanitary manner, (ii) in such a way as to minimize interference with any other party's use of any Common Facilities or its occupancy in the Building, and (iii) comply with such rules and regulations now or hereafter in existence or established by Landlord from time to time for the common and shared use of the Common Facilities. The cost of the Common Facilities shall be included in Operating Expenses except for expenses directly incurred by Tenant in connection with its use, which shall be paid by Tenant. Landlord reserves the right in its sole and absolute discretion to close, reduce or expand the Common Facilities at any time and from time to time.

(a) **Common Areas Changes.** So long as the same does not materially and unreasonably restrict Tenant's access to or use of the Leased Premises, Landlord shall have the right, in Landlord's sole discretion, from time to time:

- (1) To make changes and reductions to the Common Areas, including, without limitation, changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas and walkways;
- (2) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;
- (3) To designate other land outside the boundaries of the Building to be a part of the Common Areas;
- (4) To add additional improvements to the Common Areas;
- (5) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Building or Complex, or any portion thereof;
- (6) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas, Building and Complex as Landlord may, in the exercise of sound business judgment, deem to be appropriate.

(b) Common Area Maintenance. Landlord shall, in Landlord's sole discretion, maintain the Common Areas (subject to reimbursement pursuant to this Lease), establish and enforce reasonable rules and regulations concerning such areas, close any of the Common Areas to whatever extent required in the opinion of Landlord's counsel to prevent a dedication of any of the Common Areas or the accrual of any rights of any person or of the public to the Common Areas, and so long as the same does not materially and unreasonably interfere with Tenant's access to the Leased Premises close temporarily any of the Common Areas for maintenance purposes, and make changes to the Common Areas including, without limitation, changes in the location of driveways, corridors, entrances, exits, the designation of areas for the exclusive use of others, the direction of the flow of traffic or construction of additional buildings thereupon. Landlord may provide security for the Common Areas, but is not obligated to do so. Under no circumstances shall Landlord be liable or responsible for any acts or omissions of any party providing any services to the Common Areas, Building or other improvements, including, without limitation, any security service, notwithstanding anything to the contrary contained in this Lease.

(c) Parking. During the Term, Tenant shall be entitled to the number of monthly parking passes specified in Section 1.17 of this Lease. The parking passes shall permit the non-exclusive right on an unassigned and unreserved basis to use one parking space in the parking facility at the Complex for each such parking pass. At no time, may Tenant or any of Tenant's Parties use more than the number of Parking Spaces specified above. This right to park in the parking facility shall be on an unreserved, nonexclusive, first come, first served basis, for passenger-size automobiles, small pick-up trucks and SUVs.

(1) Location of Parking. Tenant's parking passes shall give Tenant the right to park in spaces in the parking facility located at the Complex. Landlord shall have the right to designate from time to time which areas of such parking facility foregoing parking spaces will be located; however such designation shall not be construed as providing Tenant with any reserved or marked parking. Landlord specifically reserves the right to change the location, size, configuration, design, layout, and all other aspects of the parking facility, including implementing and discontinuing any escort or valet system. So long as Tenant is entitled to the number of spaces listed in Section 1.17 of this Lease, Landlord may close off or restrict access to the parking facility from time to time to facilitate construction, alteration, or improvements, without incurring any liability to Tenant and without any abatement of Rent under this Lease.

(2) Parking Rules and Regulations. Tenant's continued right to use the parking passes and parking facility is conditioned on Tenant's abiding by all reasonable rules and regulations prescribed from time to time for the orderly operation and use of the parking facility. Tenant shall use all reasonable efforts to ensure that Tenant's employees and visitors also comply with such rules and regulations.

(4) Nontransferable Passes. The parking passes rented by Tenant are provided to Tenant solely for use by Tenant's personnel (not including Tenant's invitees and guests). These passes may not be transferred, assigned, subleased, or otherwise alienated by Tenant without Landlord's prior approval.

(4) General. Landlord reserves the right in its sole and absolute discretion to have the parking facility operated by a third party. If requested of Landlord or its parking operator, Tenant agrees that it shall enter into a parking agreement for issuance of the parking passes. If Tenant does not enter into the parking agreement with the tenant or operator of the parking facility or if Tenant elects on not less than thirty (30) days prior written notice to Landlord and the operator of the parking facility to discontinue using all or any specified number of parking spaces Tenant previously elected to use, then Tenant shall not have any right to use the parking spaces for which it did not enter into a parking agreement or for which it rejected or subsequently discontinued, which spaces may be available to Landlord, and any parking rights for Tenant hereunder as to such rejected and subsequently discontinued spaces shall be null and void. The parking spaces will not be separately identified and Landlord shall have no obligation to monitor the use of the parking facility, nor shall Landlord be responsible for any loss or damage to any vehicle or other property at the Complex or for any injury to any person. Tenant shall comply with all rules and regulations of the tenant or operator of the parking facility where the parking spaces are located. A failure by Tenant or any of its employees to comply with the foregoing provisions shall subject Tenant to the loss of use of such parking spaces, in which case the Lease shall continue without any abatement in rent or charge to Landlord. All trucks (other than pick-up trucks) and delivery vehicles shall be (i) parked at the loading dock of the Building, (ii) loaded and unloaded in a manner which does not interfere with the businesses of other occupants of the

Complex, and (iii) permitted to remain on the Complex only so long as is reasonably necessary to complete loading and unloading. In the event Landlord elects in its sole and absolute discretion or is required by any law to limit or control parking in the Complex, whether by validation of parking tickets or any other method of assessment, Tenant agrees to participate in such validation or assessment program under such reasonable rules and regulations as are from time to time established by Landlord.

(5) **Identification.** Tenant shall furnish Landlord within fifteen (15) days after Landlord's request with a list of its employees' vehicle license numbers that will be using the parking passes issued to Tenant. Landlord also reserves the right to implement a system requiring that all employees of Tenant attach a parking sticker or parking permit to their vehicles.

(6) **Condition.** Tenant's rights to any parking passes under this section are expressly conditioned upon Tenant being in occupancy of the Leased Premises. Tenant acknowledges and agrees that a breach of the parking provisions by Tenant or any of its employees may seriously interfere with Landlord's operation of the Complex and with the rights or occupancy by other tenants of the Complex. Accordingly, Landlord may suffer damages that are not readily ascertainable. Landlord may immobilize and/or tow from the Complex any vehicle of Tenant or its employees parked in violation hereof, and/or attach violation stickers or notices to such vehicle. The cost to remove any such vehicle shall be paid by Tenant within thirty (30) days after request by Landlord.

3.5 **Substituted Premises.** If the Leased Premises contain less than 8,000 square feet of Rentable Area, then after sixty (60) days' prior written notice to Tenant at any time during the Term, Landlord may require Tenant to move from the Leased Premises to other space of comparable size in the Complex, which for purposes hereof shall mean space that contains up to twenty-five percent (25%) more or up to ten percent (10%) less Rentable Area than the Rentable Area in the Leased Premises (the "**Substituted Premises**"). Landlord may not relocate Tenant more than one time during the Term. If Tenant is relocated to the Substituted Premises under this section, Landlord agrees to pay all reasonable expenses of Tenant incidental to Tenant's relocation to the Substituted Premises (including, without limitation moving costs, installation of telephone, cabling, wiring and electronic services, and stationery, but excluding, without limitation, any loss of business or profits) and that Landlord shall improve the Substituted Premises for Tenant's use and occupancy to a superior quality as the Leased Premises occupied by Tenant prior to such relocation exclusive of Tenant's trade fixtures, furniture and other personal property. Landlord and Tenant shall enter into an amendment of this Lease to reflect the changes required for the Substituted Premises, including, without limitation, a change in Tenant's Proportionate Share and the amount the Minimum Monthly Rent to reflect the change in the size of the Substituted Premises effective as of the date of relocation; provided, however, that Landlord's right to relocate Tenant to the Substituted Premises or Tenant's obligation to move to the Substituted Premises is not conditioned upon the parties signing such amendment. There shall be no abatement of any rent payable hereunder on account of Tenant's relocation or any inconvenience or business loss caused to Tenant thereby.

#### ARTICLE 4 TERM AND POSSESSION

4.1 **Commencement Date.** The Term of this Lease shall commence on the Commencement Date and shall be for the term specified in Section 1.8 hereof (which includes as set forth in Section 1.8 any partial month at the commencement of the Term if the Term commences other than on the first day of the calendar month).

4.2 **Acknowledgment of Commencement.** Within five (5) days after delivery of the Leased Premises to Tenant, Tenant shall execute a written acknowledgment of the date of commencement in the form attached hereto as **Exhibit C**, and by this reference it shall be incorporated herein. The failure or delay by Landlord to request such acknowledgment or the failure or delay by Tenant to execute and provide such acknowledgment shall not delay the Commencement Date.

4.3 **Pre-Term Possession.** In the event Landlord permits Tenant, or any agent, employee or contractor of Tenant, to enter, use or occupy the Leased Premises prior to the Commencement Date, such entry, use or occupancy shall be subject to all the provisions of this Lease other than the payment of Minimum Monthly Rent, including, without limitation, Tenant's compliance with the insurance and indemnity requirements of this Lease. Said early possession shall not advance the termination date of this Lease. In the event that Landlord so permits such early access to the leased Premises, Tenant agrees that it shall not in any way interfere with the progress of

Landlord's work (if any) by such entry. Should such entry prove an impediment to the progress of Landlord's work, in Landlord's judgment, Landlord may demand that Tenant forthwith vacate the Leased Premises until such time as Landlord's work is complete, and Tenant shall immediately comply with this demand. Tenant shall comply with all terms and conditions of this Lease during the course of any pre-term possession, except for the payment of Minimum Monthly Rent.

4.4 Delay. If Landlord, for any reason whatsoever, cannot deliver possession of the Leased Premises to Tenant with the Tenant Improvements Substantially Completed by the Estimated Commencement Date, this Lease shall not be void or voidable, nor shall Landlord be liable for any loss or damage resulting therefrom, but in that event, there shall be no accrual of Rent for the period between the Estimated Commencement Date and the Commencement Date, except if the delay is due to a Tenant Delay.

4.5 Acceptance of Work. Within thirty (30) days following the date Tenant takes possession of the Leased Premises, Tenant may provide Landlord with a punch list which sets forth any corrective work to be performed by Landlord with respect to work performed by Landlord; provided, however, that Tenant's obligation to pay Rent and other sums under this Lease shall not be affected thereby. If Tenant fails to submit a punch list to Landlord within such thirty (30) day period, Tenant agrees that by taking possession of the Leased Premises it will conclusively be deemed to have inspected the Leased Premises and found the Leased Premises in satisfactory condition, with all work required of Landlord completed. Tenant acknowledges that neither Landlord, nor any agent, employee or servant of Landlord, has made any representation or warranty, expressed or implied, with respect to the Leased Premises, Building or Common Areas of the Complex, or with respect to the suitability of them to the conduct of Tenant's business, nor has Landlord agreed to undertake any modifications, alterations, or improvements of the Leased Premises, Building or Common Areas of the Complex, except as specifically provided in this Lease.

4.6 Failure to Take Possession. Tenant's inability or failure to take possession of the Leased Premises when delivery is tendered by Landlord shall not delay the Commencement Date of the Lease or Tenant's obligation to pay Rent. Tenant acknowledges that Landlord shall incur significant expenses upon the execution of this Lease, even if Tenant never takes possession of the Leased Premises, including, without limitation, brokerage commissions and fees, legal or other professional fees, the costs of space planning and the costs of construction of Tenant Improvements in the Premises. Tenant acknowledges that all of said expenses, in addition to all other expenses incurred and damages suffered by Landlord, shall be included in measuring Landlord's damages should Tenant breach the terms of this Lease.

4.7 Disability Access Disclosure Under Section 1938 of the California Civil Code. In accordance with Section 1938 of the California Civil Code, Landlord has informed Tenant that the Leased Premises have not undergone an inspection by a Certified Access Specialist to determine if the Leased Premises meet all applicable construction related accessibility standards pursuant to Section 55.53 of the California Civil Code. Landlord makes the following statement in compliance with the requirements of Section 193 8(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 subject premises."

If Tenant desires to obtain such CASp inspection, the CASp party, the scope of the inspection and date such inspection shall be performed shall be subject to the prior written approval of Landlord, which will not be unreasonably withheld. Landlord shall have the right to have a representative present during such inspection. The cost of such inspection shall be paid by Tenant without reimbursement or other payment from Landlord. Any work required to be completed as described in the CASp report shall be performed and paid for by Tenant. Landlord reserves the right to contest the findings in any CASp inspection report obtained by Tenant by having another CASp



inspect the Leased Premises. Any CASp inspection report obtained by or provided to Tenant shall be confidential and Tenant shall not disclose such report or the findings in such report to any other party without the prior written consent of Landlord in its sole discretion, except to the extent disclosure is required to parties on a need to know basis only for Tenant to complete repairs and corrections of violations of construction-related accessibility standard that Tenant agrees to make.

#### ARTICLE 5 MINIMUM MONTHLY RENT

5.1 **Payment.** Tenant shall pay to Landlord at the address specified in Section 1.1, or at such other place as Landlord may otherwise designate, as "**Minimum Monthly Rent**" for the Leased Premises the amount specified in Section 1.9 hereof, payable in advance on the first day of each month during the Term of the Lease. If the Term commences on other than the first day of a calendar month, the rent for the first partial month shall be prorated accordingly. All payments of Minimum Monthly Rent (including sums defined as rent in Section 2) shall be in lawful money of the United States, and payable without deduction, offset, counterclaim, prior notice or demand.

5.2 **Advance Rent.** The first full month's rent shall be paid by Tenant to Landlord upon the execution of this Lease as advance rent, provided, however, that such amount shall be held by Landlord as an additional "Security Deposit" pursuant to this Lease until it is applied by Landlord to the first Minimum Monthly Rent due hereunder.

5.3 **Late Payment.** If during any twelve (12) month period, Tenant fails to pay Rent within five (5) days after receipt of notice that payment is past due on more than three occasions, then Landlord may, by giving written notice to Tenant, require that Tenant pay the Minimum Monthly Rent and other Rent to Landlord quarterly in advance.

5.4 **Electronic Payment.** Landlord shall have the right, on not less than thirty (30) days prior written notice to Tenant (the "**Electronic Payment Notice**"), to require Tenant to make subsequent payments of Minimum Monthly Rent and Additional Rent due pursuant to the terms of this Lease by means of a federal funds wire transfer or such other method of electronic funds transfer as may be required by Landlord in its sole and absolute discretion (the "**Electronic Payment**"). The Electronic Payment Notice shall set forth the proper bank ABA number, account number and designation of the account to which such Electronic Payment shall be made. Tenant shall promptly notify Landlord in writing of any additional information that will be required to establish and maintain Electronic Payment from Tenant's bank or financial institution. Landlord shall have the right, after at least ten ( 10) days prior written notice to Tenant, to change the name of the depository for receipt of any Electronic Payment and to discontinue payment of any sum by Electronic Payment.

5.5 **Use of Lock Box.** If Landlord shall direct Tenant to pay rent at a "lockbox" or other depository whereby checks issued in payment of rent are initially cashed or deposited by a person or entity other than Landlord (albeit on Landlord's authority), then (i) Landlord shall not be deemed to have accepted such payment until twenty (20) days after the date on which Landlord shall have actually received such funds, and (ii) Landlord shall be deemed to have accepted such payment if (and only if) within said twenty (20) day period, Landlord shall not have refunded (or attempted to refund) such payment to Tenant. Nothing in the preceding sentence shall be construed to place Tenant in default of Tenant's obligation to pay rent or subject Tenant to any late charge if Tenant shall timely pay the rent in the manner designated by Landlord to the lock box.

#### ARTICLE 6 ADDITIONAL RENT

6.1 **Personal Property, Gross Receipts, Leasing Taxes.** This section is intended to deal with impositions or taxes directly attributed to Tenant or this transaction, as distinct from taxes attributable to the Building or Common Areas of the Complex which are to be allocated among various tenants and others. Tenant shall pay before delinquency any and all taxes, assessments, license fees and public charges levied, assessed or imposed against Tenant or Tenant's estate in this Lease or the property of Tenant situated within the Premises which become due during the Term. On demand by Landlord, Tenant shall furnish Landlord with satisfactory evidence of these payments. If such taxes are included in the bill for the Real Estate Taxes for the Building or Complex, then Tenant shall pay to Landlord as additional rent the amount of such taxes within ten (10) days after demand from Landlord.

6.2 Operating Costs, Taxes and Insurance.

(a) Base Year Increases. If the Operating Costs and/or Taxes for any Lease Year, calculated on the basis of the greater of (i) actual Operating Costs and Taxes; or (ii) as if the Complex were at least one hundred percent ( 100%) occupied and operational for the whole of such Lease Year, are more than the applicable Base Year Costs for Base Operating Costs and Base Taxes as set forth in section 1.10 (with Base Operating Costs and Base Taxes being calculated separately), Tenant shall pay to Landlord its Proportionate Share of any such increase in Operating Costs and/or Taxes, as the case may be, as additional Rent as hereinafter provided.

(b) Partial Year. If any Lease Year of less than twelve (12) months is included within the Term, the amount payable by Tenant for such period shall be prorated on a per diem basis (utilizing a thirty (30) day month, three hundred sixty (360) day year).

6.3 Method of Payment. Any additional Rent payable by Tenant under Sections 6.1 and 6.2 hereof shall be paid as follows, unless otherwise provided:

(a) Estimated Monthly. During the Term, Tenant shall pay to Landlord monthly in advance on the first day of each month, in addition to payment of Minimum Monthly Rent, one-twelfth (1/12th) of the amount of such additional Rent as estimated by Landlord in advance, in good faith, to be due from Tenant. If at any time during the course of the fiscal year, Landlord determines that Operating Costs and/or Taxes are projected to vary from the then estimated costs for such items by more than ten percent (10%), Landlord may, by written notice to Tenant, revise the estimated Operating Costs and/or Taxes for the balance of such fiscal year, and Tenant's monthly installments for the remainder of such year shall be adjusted so that by the end of such fiscal year Tenant will have paid to Landlord Tenant's Proportionate Share of the such revised expenses for such year.

(b) Annual Reconciliation. Annually, as soon as is reasonably possible after the expiration of each Lease Year, Landlord shall prepare in good faith and deliver to Tenant a comparative statement, which statement shall be conclusive between the parties hereto, setting forth (1) the Operating Costs, Taxes and Insurance Costs for such Lease Year, and (2) the amount of additional Rent as determined in accordance with the provisions of this Article 6.

(c) Adjustment. If the aggregate amount of such estimated additional Rent payments made by Tenant in any Lease Year should be less than the additional Rent due for such year, then Tenant shall pay to Landlord as additional Rent upon demand the amount of such deficiency. If the aggregate amount of such additional Rent payments made by Tenant in any Lease Year of the Term should be greater than the additional Rent due for such year, then the amount of such excess will be applied by Landlord to the next succeeding installments of such additional Rent due hereunder; and if there is any such excess for the last year of the Term, the amount thereof will be refunded by Landlord to Tenant within sixty (60) days of the last day of the Term, less any amount necessary to cure any existing default or breach by Tenant under this Lease.

(d) Inspection. Tenant shall have the right at its own expense to inspect the books and records of Landlord pertaining to Operating Costs and Taxes once in any calendar year by any employee of Tenant or by a certified public accountant mutually acceptable to Landlord and Tenant (provided such certified public accountant charges for its service on an hourly basis and not based on a percentage of any recovery or similar incentive method) at reasonable times, and upon reasonable written notice to Landlord as hereinafter provided. Tenant's right to inspect such books and records is conditioned upon Tenant first paying Landlord the full amount billed by Landlord. Within six (6) months after receipt of Landlord's annual reconciliation of Operating Costs and Taxes, Tenant shall have the right, after at least thirty (30) days prior written notice to Landlord, to inspect at the offices of Landlord or its property manager, the books and records of Landlord pertaining solely to the Operating Costs and Taxes for the immediately preceding calendar year covered in such annual reconciliation statement. All expenses of the inspection shall be borne by Tenant and must be completed within thirty (30) days after commencement of such inspection. If Tenant's inspection reveals a discrepancy in the comparative annual reconciliation statement, Tenant shall deliver a copy of the inspection report and supporting calculations to Landlord within thirty (30) days after completion of the inspection. If Tenant and Landlord are unable to resolve the

discrepancy within thirty (30) days after Landlord's receipt of the inspection report, either party may upon written notice to the other have the matter decided by an inspection by an independent certified public accounting firm approved by Tenant and Landlord (the "CPA Firm"), which approval shall not be unreasonably withheld or delayed. If the inspection by the CPA Firm shows that the actual aggregate amount of Operating Costs and Taxes payable by Tenant is greater than the amount previously paid by Tenant for such accounting period, Tenant shall pay Landlord the difference within thirty (30) days. If the inspection by the CPA Firm shows that the actual applicable amount is less than the amount paid by Tenant, then the difference shall be applied in payment of the next estimated monthly installments of Operating Costs owing by Tenant, or in the event such accounting occurs following the expiration of the Term hereof, such difference shall be refunded to Tenant. Tenant shall pay for the cost of the inspection by the CPA Firm, unless such inspection shows that Landlord overstated the aggregate amount Operating Costs and Taxes by more than five percent (5%), in which case Landlord shall pay for the cost of the inspection by the CPA Firm.

Tenant acknowledges and agrees that any information revealed in the above described inspection may contain proprietary and sensitive information and that significant damage could result to Landlord if such information were disclosed to any party other than Tenant's auditors. Tenant shall not in any manner disclose, provide or make available any information revealed by the inspection to any person or entity without Landlord's prior written consent, which consent may be withheld by Landlord in its sole and absolute discretion.

#### ARTICLE 7 ACCORD AND SATISFACTION

7.1 Acceptance of Payment. No payment by Tenant or receipt by Landlord of a lesser amount of Minimum Monthly Rent or any other sum due hereunder, shall be deemed to be other than on account of the earliest due rent or payment, nor shall any endorsement or statement on any check or any letter accompanying any 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 balance of such rent or payment or pursue any other remedy available in this Lease, at law or in equity. Landlord may accept any partial payment from Tenant without invalidation of any contractual notice required to be given herein (to the extent such contractual notice is required) and without invalidation of any notice required to be given pursuant to California Code of Civil Procedure Section 1161, et seq., or of any successor statute thereto.

#### ARTICLE 8 SECURITY DEPOSIT

8.1 Payment on Lease Execution. Tenant shall pay Landlord upon execution hereof the sum specified in the Salient Lease Terms as a Security Deposit. This sum is designated as a Security Deposit and shall remain the sole and separate property of Landlord until actually repaid to Tenant (or at Landlord's option the last assignee, if any, of Tenant's interest hereunder), said sum not being earned by Tenant until all conditions precedent for its payment to Tenant have been fulfilled. As this sum both in equity and at law is Landlord's separate property, Landlord shall not be required to (1) keep said deposit separate from his general accounts, or (2) pay interest, or other increment for its use. If Tenant fails to pay rent or other charges when due hereunder, or otherwise defaults with respect to any provision of this Lease, including and not limited to Tenant's obligation to restore or clean the Leased Premises following vacation thereof, Tenant, at Landlord's election, shall be deemed not to have earned the right to repayment of the Security Deposit, or those portions thereof used or applied by Landlord for the payment of any rent or other charges in default, or for the payment of any other sum to which Landlord may become obligated by reason of Tenant's default, or to compensate Landlord for any loss or damage which Landlord may suffer thereby. Landlord may retain such portion of the Security Deposit as it reasonably deems necessary to restore or clean the Leased Premises following vacation by Tenant. The Security Deposit is not to be characterized as rent until and unless so applied in respect of a default by Tenant. Tenant hereby waives the provisions of Section 1950. 7 of the California Civil Code, and all other provisions of 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.

8.2 Restoration of Deposit. If Landlord elects to use or apply all or any portion of the Security Deposit as provided in Section 8.1, Tenant shall within ten (10) days after written demand therefor pay to Landlord in cash, an amount equal to that portion of the Security Deposit used or applied by Landlord, and Tenant's failure to so do shall be a material breach of this Lease. The ten (10) day notice specified in the preceding sentence shall insofar as not prohibited by law, constitute full satisfaction of notice of default provisions required by law or ordinance.

#### ARTICLE 9 USE

9.1 Permitted Use. The Leased Premises may be used and occupied only for the purposes specified in Section 1.12 hereof, and for no other purpose or purposes. Tenant shall promptly comply with all laws, ordinances, orders and regulations affecting Tenant's use of the Leased Premises, their cleanliness, safety, occupation and use. Tenant shall not use, or permit to be used, the Leased Premises in any manner that will unreasonably disturb any other tenant in the Building or Complex, or obstruct or interfere with the rights of other tenant or occupants of the Building or Complex, or injure them or create any unreasonable smells, noise or vibrations (taking into account the nature and tenant-mix of the Building). Tenant shall not do, permit or suffer in, on, or about the Premises the sale of any alcoholic liquor without the written consent of Landlord first obtained. Tenant shall not allow the Leased Premises to be used for any unlawful purpose.

9.2 Safes, Heavy Equipment. Tenant shall not place a load upon any floor of the Leased Premises which exceeds the lesser of fifty ( 50) pounds per square foot live load or such other amount specified in writing by Landlord from time to time. Landlord reserves the right to prescribe the weight and position of all safes and heavy installations which Tenant wishes to place in the Leased Premises so as properly to distribute the weight thereof, or to require plans prepared by a qualified structural engineer at Tenant's sole cost and expense for such heavy objects. Notwithstanding the foregoing, Landlord shall have no liability for any damage caused by the installation of such heavy equipment or safes.

9.3 Machinery. Business machines and mechanical equipment belonging to Tenant which cause noise and/or vibration that may be transmitted to the structure of the Building or to any other leased space to such a degree as to be objectionable to Landlord or to any tenants in the Complex shall be placed and maintained by the party possessing the machines or equipment, at such party's expense, in settings of cork, rubber or spring type noise and/or vibration eliminators, and Tenant shall take such other measures as needed to eliminate vibration and/or noise. If the noise or vibrations cannot be eliminated, Tenant must remove such equipment within ten (10) days following written notice from Landlord.

9.4 Waste or Nuisance. Tenant shall not commit, or suffer to be committed, any waste upon the Leased Premises, or any nuisance, or other act or thing which may disturb the quiet enjoyment of any other tenant or occupant of the Complex in which the Leased Premises are located.

9.5 Access. Tenant shall have access to the Leased Premises twenty-four hours a day, seven days a week, subject to any reasonable security requirements and regulations that may be in effect at the time. Tenant acknowledges and agrees that it shall use the card-key system currently in place for entry into the Building and into the Leased Premises.

#### ARTICLE 10 COMPLIANCE WITH LAWS AND REGULATIONS

10.1 Compliance Obligations. Tenant shall, at its sole cost and expense, comply with all of the requirements of all municipal, state and federal authorities now in force, or which may hereafter be in force, pertaining to the Leased Premises, and shall faithfully observe in the use or occupancy of the Leased Premises all municipal ordinances and state and federal statutes, laws and regulations now or hereafter in force, including, without limitation, the "Environmental Laws" (as hereinafter defined), and the Americans with Disabilities Act, 42 U.S.C. §§ 12101-12213 (and any rules, regulations, restrictions, guidelines, requirements or publications promulgated or published pursuant thereto), whether or not any of the foregoing were foreseeable or unforeseeable at the time of the execution of this Lease. Tenant's obligation to comply with and observe such requirements, ordinances, statutes and regulations shall apply regardless of whether such requirements, ordinances, statutes and regulations regulate or relate to Tenant's particular use of the Leased Premises or regulate or relate to the use of premises in general, and regardless of the cost thereof. The judgment of any court of competent jurisdiction, or the

admission of Tenant in any action or proceeding against Tenant, whether Landlord be a party thereto or not, that any such requirement, ordinance, statute or regulation pertaining to the Leased Premises has been violated, shall be conclusive of that fact as between Landlord and Tenant.

10.2 Condition of Leased Premises. Subject to Landlord's work, if any, as referred to in Exhibit B to this Lease, Tenant hereby accepts the Leased Premises in the condition existing as of the date of occupancy, subject to all applicable zoning, municipal, county and state laws, ordinances, rules, regulations, orders, restrictions of record, and requirements in effect during the Term or any part of the Term hereof regulating the Leased Premises, and without representation, warranty or covenant by Landlord, express or implied, as to the condition, habitability or safety of the Leased Premises, the suitability or fitness thereof for their intended purposes, or any other matter.

10.3 Hazardous Materials.

(a) Hazardous Materials. As used herein, the term "**Hazardous Materials**" shall mean any wastes, materials or substances (whether in the form of liquids, solids or gases, and whether or not air-borne), which are or are deemed to be (i) pollutants or contaminants, or which are or are deemed to be hazardous, toxic, ignitable, reactive, corrosive, dangerous, harmful or injurious, or which present a risk to public health or to the environment, or which are or may become regulated by or under the authority of any applicable local, state or federal laws, judgments, ordinances, orders, rules, regulations, codes or other governmental restrictions, guidelines or requirements, any amendments or successor(s) thereto, replacements thereof or publications promulgated pursuant thereto, including, without limitation, any such items or substances which are or may become regulated by any of the Environmental Laws (as hereinafter defined); (ii) listed as a chemical known to the State of California to cause cancer or reproductive toxicity pursuant to the California Health and Safety Code; or (iii) a pesticide, petroleum, including crude oil or any fraction thereof, asbestos or an asbestos-containing material, a polychlorinated biphenyl, radioactive material, or urea formaldehyde.

(b) Environmental Laws. In addition to the laws referred to in section 10.3(a) above, the term "**Environmental Laws**" shall be deemed to include, without limitation, all local, state and federal laws, judgments, ordinances, orders, rules, regulations, codes and other governmental restrictions, guidelines and requirements, any amendments and successors thereto, replacements thereof and publications promulgated pursuant thereto, which deal with or otherwise in any manner relate to, air or water quality, air emissions, soil or ground conditions or other environmental matters of any kind.

(c) Use of Hazardous Materials. Tenant agrees that during the Term of this Lease, there shall be no use, presence, disposal, storage, generation, leakage, treatment, manufacture, import, handling, processing, release, or threatened release of Hazardous Materials on, from or under the Leased Premises (individually and collectively, "**Hazardous Use**") except to the extent that, and in accordance with such conditions as, Landlord may have previously approved in writing in its sole and absolute discretion. However, without the necessity of obtaining such prior written consent, Tenant shall be entitled to use and store only those Hazardous Materials which are (i) typically used in the ordinary course of business in an office for use in the manner for which they were designed and in such limited amounts as may be normal, customary and necessary for Tenant's business in the Premises, and (ii) in full compliance with Environmental Laws, and all judicial and administrative decisions pertaining thereto. For the purposes of this Section 10.3(c), the term Hazardous Use shall include Hazardous Use(s) on, from or under the Leased Premises by Tenant or any of its directors, officers, employees, shareholders, partners, agents, contractors or occupants (collectively, "**Tenant's Parties**"), whether known or unknown to Tenant, and whether occurring and/or existing during or prior to the commencement of the Term of this Lease.

(d) Compliance. Tenant agrees that during the Term of this Lease Tenant shall not be in violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene, soil, water, or environmental conditions on, under or about the Leased Premises including, but not limited to, the Environmental Laws.

(e) Inspection and Testing by Landlord. Landlord shall have the right at all times during the term of this Lease to (i) inspect the Leased Premises and to (ii) conduct tests and investigations to determine whether Tenant is in compliance with the provisions of this Section. Except in case of emergency, Landlord shall give reasonable notice to Tenant before conducting any inspections, tests, or investigations. The cost of all such inspections, tests and investigations shall be borne by Tenant if Tenant is in breach of Section 10.3 of this Lease. Neither any action nor inaction on the part of Landlord pursuant to this Section 10.3(e) shall be deemed in any way to release Tenant from, or in any way modify or alter, Tenant's responsibilities, obligations, and/or liabilities incurred pursuant to Section 10.3 hereof.

(f) Condition of Leased Premises. Landlord represents to its actual knowledge as of the date of this Lease that the Leased Premises do not contain any Hazardous Material in violation of any applicable Environmental Laws.

10.4 Indemnity. Tenant shall indemnify, hold harmless, and, at Landlord's option (with such attorneys as Landlord may approve in advance and in writing), defend Landlord and Landlord's officers, directors, shareholders, partners, members, managers, employees, contractors, property managers, agents and mortgagees and other lien holders, from and against any and all "Losses" (hereinafter defined) arising from or related to: (a) any violation or alleged violation by Tenant or any of Tenant's Parties of any of the requirements, ordinances, statutes, regulations or other laws referred to in this Article 10, including, without limitation, the Environmental Laws; (b) any breach of the provisions of this Article 10 by Tenant or any of Tenant's Parties; or (c) any Hazardous Use on, about or from the Leased Premises of any Hazardous Material approved by Landlord under this Lease. The term "Losses" shall mean all claims, demands, expenses, actions, judgments, damages (whether consequential, direct or indirect, known or unknown, foreseen or unforeseen), penalties, fines, liabilities, losses of every kind and nature (including, without limitation, property damage, diminution in value of Landlord's interest in the Leased Premises or the Complex, damages for the loss or restriction on use of any space or amenity within the Building or the Complex, damages arising from any adverse impact on marketing space in the Complex, sums paid in settlement of claims and any costs and expenses associated with injury, illness or death to or of any person), suits, administrative proceedings, costs and fees, including, but not limited to, attorneys' and consultants' fees and expenses, and the costs of cleanup, remediation, removal and restoration, that are in any way related to any matter covered by the foregoing indemnity.

#### ARTICLE 11 SERVICE AND EQUIPMENT

11.1 Climate Control. Landlord shall provide climate control to the Leased Premises from 7 :00 a.m. to 6:00 p.m. (the "**Climate Control Hours**") on weekdays (Saturdays, Sundays and holidays excepted) to maintain a temperature adequate for comfortable occupancy, provided that Landlord shall have no responsibility or liability for failure to supply climate control service when making repairs, alterations or improvements or when prevented from so doing by strikes or any cause beyond Landlord's reasonable control except as expressly provided herein. Any climate control furnished for periods not within the Climate Control Hours pursuant to Tenant's request shall be at Tenant's sole cost and expense in accordance with rate schedules promulgated by Landlord from time to time. Upon request, Landlord shall advise Tenant of the then current rate schedule. Tenant acknowledges that Landlord has installed in the Building a system for the purpose of climate control. Any use of the Leased Premises not in accordance with the design standards or any arrangement of partitioning which interferes with the normal operation of such system may require changes or alterations in the system or ducts through which the climate control system operates. Any changes or alterations so occasioned, if such changes can be accommodated by Landlord's equipment, shall be made by Tenant at its cost and expense but only with the written consent of Landlord first had and obtained, and in accordance with drawings and specifications and by a contractor first approved in writing by Landlord. If installation of partitions, equipment or fixtures by Tenant necessitates the re-balancing of the climate control equipment in the Leased Premises, the same will be performed by Landlord at Tenant's expense. Tenant acknowledges that up to one (1) year may be required after Tenant has fully occupied the Leased Premises in order to adjust and balance the climate control systems. Any charges to be paid by Tenant hereunder shall be due within ten (10) days of receipt of an invoice from Landlord, which invoice may precede Landlord's expenditure for the benefit of Tenant.

11.2 Elevator Service. Landlord shall provide elevator service, provided that Tenant, its employees, and all other persons using such services shall do so at their own risk.

11.3 Cleaning Public Areas. Landlord shall maintain and keep clean the street level lobbies, sidewalks, truck dock, public corridors and other public portions of the Building.

11.4 Refuse Disposal. Tenant shall pay Landlord, within thirty (30) days of being billed therefor, for the removal from the Leased Premises and the Building of such refuse and rubbish of Tenant as shall exceed that ordinarily accumulated daily in the routine of a reasonable office.

11.5 Janitorial Service. Landlord shall provide cleaning and janitorial service in and about the Complex and Leased Premises five days a week (which is currently scheduled for Sunday through Thursday, holidays excepted, subject to change by Landlord) in accordance with commercially reasonable standards in an office building in the city in which the Building is located.

11.6 Special Cleaning Service. To the extent that Tenant shall require special or more frequent cleaning and/or janitorial service (hereinafter referred to as "**Special Cleaning Service**") Landlord may, upon reasonable advance notice from Tenant, elect to furnish such Special Cleaning Service and Tenant agrees to pay Landlord, within thirty (30) days of being billed therefor, Landlord's charge for providing such additional service. Special Cleaning Service shall include but shall not be limited to the following to the extent such services are beyond those typically provided pursuant to section 11.5 above:

(a) The cleaning and maintenance of Tenant eating facilities other than the normal and ordinary cleaning and removal of garbage, which special cleaning service shall include, without limitation, the removal of dishes, utensils and excess garbage; it being acknowledged that normal and ordinary cleaning service does not involve placing dishes, glasses and utensils in the dishwasher, cleaning any coffee pot or other cooking mechanism or cleaning the refrigerator or any appliances;

(b) The cleaning and maintenance of Tenant computer centers, including peripheral areas other than the normal and ordinary cleaning and removal of garbage if Tenant so desires;

(c) The cleaning and maintenance of special equipment areas, locker rooms, and medical centers;

(d) The cleaning and maintenance in areas of special security; and

(e) The provision of consumable supplies for private toilet rooms.

11.7 Electrical. During the Term of this Lease, there shall be available to the Leased Premises electrical facilities comparable to those supplied in other comparable office buildings in the vicinity of the Building to provide sufficient power for normal lighting and office machines of similar low electrical consumption, and one personal computer for each desk station, but not for any additional computers or extraordinary data processing equipment, special lighting and any other item of electrical equipment which requires a voltage other than one hundred ten ( 110) volts single phase, as determined by Landlord in its sole and absolute discretion; and provided, however, that if the installation of such electrical equipment requires additional air conditioning capacity above that normally provided to tenants of the Building or above standard usage of existing capacity as determined by Landlord in its sole and absolute discretion, then the additional air conditioning installation and/or operating costs attributable thereto shall be paid by Tenant. Tenant agrees not to use any apparatus or device in, upon or about the Leased Premises which may in any way increase the amount of such electricity usually furnished or supplied to the Leased Premises, and Tenant further agrees not to connect any apparatus or device to the wires, conduits or pipes or other means by which such electricity is supplied, for the purpose of using additional or unusual amounts of electricity, without the prior written consent of Landlord. At all times, Tenant's use of electric current shall never exceed Tenant's share of the capacity of the feeders to the Building or the risers or wiring installation. Tenant shall not install or use or permit the installation or use in the Leased Premises of any computer or electronic data processing or ancillary equipment or any other electrical apparatus designed to operate on electrical current in excess of 110 volts and 5 amps per machine, without the prior written

consent of Landlord, which may be exercised in Landlord's sole and absolute discretion. If Tenant shall require electrical current in excess of that usually furnished or supplied for use of the Leased Premises as general office space, Tenant shall first procure the written consent of Landlord (which may be exercised in Landlord's sole and absolute discretion) to the use thereof and Landlord or Tenant may (i) cause a meter to be installed in or for the Leased Premises, or (ii) if Tenant elects not to install said meter, Landlord may reasonably estimate such excess electrical current. The cost of any meters (including, without limitation, the cost of any installation) or surveys to estimate such excess electrical current shall be paid by Tenant. Landlord's approval of any space plan, floor plan, construction plans, specifications, or other drawings or materials regarding the construction of the Tenant Improvements or any alterations shall not be deemed or construed as consent by Landlord under this paragraph to Tenant's use of such excess electrical current as provided above. Tenant agrees to pay to Landlord, promptly upon demand therefor, all costs of such electrical current consumed as well as an additional use charge calculated by said meters (at the rates charged for such services to the Building by the municipality or the local public utility) or the amount specified in said estimate, as the case may be, plus any additional expense incurred in keeping account of the electrical current so consumed, which additional expense Landlord shall advise Tenant within a reasonable time after request by Tenant.

11.8 Water. During the Term of this Lease, if water is made available to the Leased Premises, then water shall be used for drinking, lavatory and office kitchen purposes only as applicable. If Tenant requires, uses or consumes water for any purpose in addition to ordinary drinking, lavatory, and office kitchen purposes (as determined by Landlord in its sole and absolute discretion), as applicable, Landlord may reasonably estimate such excess and Tenant shall pay for same. At Tenant's sole cost and expense, Landlord may also install a water meter and thereby measure Tenant's water consumption for all purposes, and Tenant shall keep said meter and installation equipment in good working order and repair at Tenant's own cost and expense. Tenant agrees to pay for water consumed, as shown in said meter, as and when a bill is rendered.

11.9 Interruptions. It is understood that Landlord does not warrant that any of the services referred to above or any other services which Landlord may supply will be free from interruption. Tenant acknowledges that any one or more such services may be suspended or reduced by reason of repairs, alterations or improvements necessary to be made, by strikes or accidents, by any cause beyond the reasonable control of Landlord, or by orders or regulations of any federal, state, county or municipal authority. Any such interruption or suspension of services shall not be deemed an eviction (constructive or otherwise) or disturbance of Tenant's use and possession of the Leased Premises or any part thereof, nor render Landlord liable to Tenant for damages by abatement of Rent or otherwise, nor relieve Tenant of performance of Tenant's obligations under this Lease, provided, however, if electrical service to the Lease Premise is interrupted as a result of the negligence or willful misconduct of Landlord, rendering the Leased Premises untenantable for more than three (3) consecutive business days and Tenant does not occupy and conduct its business in the Premises as a result, then as Tenant's sole and exclusive remedy all Base Rent and additional Rent for Operating Expenses shall abate until such electrical service is restored.

11.10 Conservation. Landlord may reduce the utilities supplied to the Premises and the Common Areas as required by any mandatory water, energy or other conservation statute, regulation, order or allocation or other program.

11.11 Excess Usage. In addition to Tenant's Proportionate Share of Operating Costs, Tenant shall pay for (the "Excess Utility Costs") all utility costs (including, without limitation, electricity, water and/or natural gas) attributable to any HVAC or other cooling system located in the Leased Premises or that provides service to Tenant's server room, data center or other areas with special equipment or for special use, and (ii) all such utility costs consumed outside of the normal office hours of 7:00 a.m. to 6:00 p.m. Monday through Friday excluding holidays. Tenant shall pay for such Excess Utility Costs within thirty (30) days after receipt of a billing from Landlord. Such billing shall be determined in good faith by Landlord based on separate meters, submeters or other measuring devices (such as an eamon demon device) to measure consumption of such utilities at the Leased Premises or otherwise based on a commercially reasonable allocation given Tenant's use of the Leased Premises. Tenant shall pay, as additional rent, for the Excess Utility Costs within thirty (30) days after receipt of a billing from Landlord, and if requested by Landlord, Tenant shall pay for Excess Utility Costs, as additional rent, on an estimated basis in advance on the first day of each month, subject to an annual reconciliation of such Excess Utility Costs.



11.12 Energy Use Disclosures. Tenant agrees to cooperate with Landlord and provide information, including copies of Tenant's utility bills, required by Landlord regarding Tenant's energy consumption at the Premises for purpose of establishing an account with the Energy Star Portfolio Manager website maintained by the EPA and Department of Energy.

#### ARTICLE 12 ALTERATIONS

12.1 Consent of Landlord; Ownership. Tenant shall not make, or suffer to be made, any alterations, additions or improvements, including, without limitation, any alterations, additions or improvements that result in increased telecommunication demands or require the addition of new communication or computer wires, cables and related devices or expand the number of telephone or communication lines dedicated to the Leased Premises by the Building's telecommunication design (individually, an "**alteration**" and collectively, "**alterations**") to the Leased Premises, or any part thereof, without the written consent of Landlord first had and obtained, which consent shall not be unreasonably withheld, conditioned or delayed. Subject to Section 12.4 below, any alterations, except trade fixtures, shall upon expiration or termination of this Lease become a part of the realty and belong to Landlord. Except as otherwise provided in this Lease, Tenant shall have the right to remove its trade fixtures placed upon the Leased Premises provided that Tenant restores the Leased Premises as indicated below. Notwithstanding the foregoing Landlord's consent shall not be required for any alteration to the interior of the Premises that complies with the following requirements: (a) is cosmetic in nature such as painting, (b) does not affect the roof or any area outside of the Premises or require work inside the walls or above the ceiling of the Premises; (c) does not affect the structural parts of the Building or electrical, plumbing, HVAC or mechanical systems in the Building or servicing the Premises, or the sprinkler or other life safety system; and (d) costs less than \$10,000.00 in the aggregate for all of such Alterations during a calendar year (herein referred to as "**Minor Alteration**").

12.2 Requirements. Any alteration performed by Tenant shall be subject to strict conformity with the following requirements:

- (a) All alterations shall be at the sole cost and expense of Tenant;
- (b) Prior to commencement of any work of alteration requiring Landlord's consent, Tenant shall submit detailed plans and specifications, including working drawings (hereinafter referred to as "**Plans**"), of the proposed alteration, which shall be subject to the consent of Landlord in accordance with the terms of Section 12.1 above;
- (c) Following approval of the Plans by Landlord, Tenant shall give Landlord at least ten (10) days' prior written notice of any commencement of work in the Leased Premises so that Landlord may post notices of non-responsibility in or upon the Leased Premises as provided by law;
- (d) No alteration shall be commenced without Tenant having previously obtained all appropriate permits and approvals required by and of governmental agencies;
- (e) All alterations shall be performed in a skillful and workmanlike manner, consistent with the best practices and standards of the construction industry, and pursued with diligence in accordance with said Plans previously approved by Landlord and in full accord with all applicable laws and ordinances. All material, equipment, and articles incorporated in the alterations are to be new and of recent manufacture and of the most suitable grade for the purpose intended;
- (f) For alterations which require Landlord's consent, Tenant must obtain the prior written approval from Landlord for Tenant's contractors before the commencement of any work. Tenant's contractor for any work shall maintain commercial general liability and workers' compensation insurance in amounts required under this Lease;
- (g) The alteration must be performed in a manner such that they will not interfere with the quiet enjoyment of the other tenants in the Complex; and

(i) Except for a Minor Alteration, Tenant shall pay to Landlord, as Additional Rent, the reasonable costs of Landlord's engineers and other consultants for review of all plans, specifications and working drawings for the alteration, within ten (10) business days after Tenant's receipt of invoices either from Landlord or such consultants. In addition to such costs, Tenant shall pay to Landlord, within ten (10) business days after completion of any alteration, a construction administrative fee equal to five percent ( 5%) of the total cost of the alteration and the actual, reasonable costs incurred by Landlord for any services rendered by Landlord's management personnel and engineers to coordinate and/or supervise any of the alteration to the extent such services are provided in excess of or after the normal on-site hours of such engineers and management personnel.

12.3 Liens. Tenant shall keep the Leased Premises and the Complex in which the Leased Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant. In the event a mechanic's or other lien is filed against the Leased Premises, Building or the Complex as a result of a claim arising through Tenant, Landlord may demand that Tenant furnish to Landlord a surety bond satisfactory to Landlord in an amount equal to at least one hundred fifty percent (150%) of the amount of the contested lien claim or demand, indemnifying Landlord against liability for the same and holding the Leased Premises free from the effect of such lien or claim. Such bond must be posted within ten (10) days following notice from Landlord. In addition, Landlord may require Tenant to pay Landlord's reasonable attorneys' fees and costs in participating in any action to foreclose such lien if Landlord shall decide it is to its best interest to do so. If Tenant fails to post such bond within said time period, Landlord, after five (5) days prior written notice to Tenant, may pay the claim prior to the enforcement thereof, in which event Tenant shall reimburse Landlord in full, including attorneys' fees, for any such expense, as additional rent, with the next due rental.

12.4 Restoration. Tenant shall return the Leased Premises to Landlord at the expiration or earlier termination of this Lease in good and sanitary order, condition and repair, free of rubble and debris, broom clean, reasonable wear and tear excepted. However, Tenant shall ascertain from Landlord at least thirty (30) days prior to the termination of this Lease, whether Landlord desires the Leased Premises, or any part thereof, restored to its condition prior to the making of any alterations, installations and improvements (whether or not permitted hereunder), and if Landlord shall so desire, then Tenant shall forthwith restore said Leased Premises or the designated portions thereof as the case may be, to its original condition, entirely at its own expense, excepting normal wear and tear. All damage to the Leased Premises caused by the removal of such trade fixtures and other personal property that Tenant is permitted to remove under the terms of this Lease and/or such restoration shall be repaired by Tenant at its sole cost and expense prior to termination.

Notwithstanding the foregoing, Tenant shall be required to remove all telephone, data and network communication wires, cables and lines (collectively, "**Wires**") in the Leased Premises or anywhere in the Building, including the conduits and risers of the Building, by the expiration or sooner termination of the Term of this Lease, unless such work is not required under applicable Law and provided that Tenant complies with all applicable Laws with respect to leaving the Wires in place, including, without limitation, identifying and labeling all Wires for future use, and in any event providing Landlord with a written description of the Wires accompanied by a plan showing the current type, quantity, points of commencement and termination, and routes of the Wires to allow Landlord to determine if Landlord desires to retain same or to discard the same.

#### ARTICLE13 PROPERTY INSURANCE

13.1 Use of Leased Premises. No use shall be made or permitted to be made on the Leased Premises, nor acts done, which will increase the existing rate of insurance upon the building in which the Leased Premises are located or upon any other Building in the Complex or cause the cancellation of any insurance policy covering the Building, or any part thereof, nor shall Tenant sell, or permit to be kept, used or sold, in or about the Leased Premises, any article which may be prohibited by the standard form of Causes of Loss – Special Form fire insurance policies. Landlord represents that use of the Premises for the Permitted Use will not be in violation of the foregoing.

13.2 Increase in Premiums. Tenant agrees to pay Landlord, as additional Rent, within thirty (30) days after receipt by Tenant of Landlord's billing therefor, any increase in premiums for insurance policies which may be carried by Landlord on the Leased Premises, Building or Complex resulting from any negligent or intentional act or omission of Tenant or any of its contractors, partners, officers, employees or agents.

13.3 **Personal Property Insurance.** Tenant shall maintain in full force and effect on alterations, additions, improvements, carpeting, floor coverings, panelings, decorations, fixtures, inventory and other business personal property situated in or about the Leased Premises a policy or policies providing protection against any peril included within the classification Causes of Loss- Special Form to the extent of one hundred percent (100%) of their replacement cost, or that percentage of the replacement cost required to negate the effect of a co-insurance provision, whichever is greater. No such liability policy shall have a deductible in a greater amount than 15,000.00. Tenant shall also insure in the same manner the physical value of all its leasehold improvements and alterations in the Leased Premises. During the term of this Lease, the proceeds from any such policy or policies of insurance shall be used for the repair or replacement of the fixtures, equipment, and leasehold improvements so insured. Landlord shall have no interest in said insurance, and will sign all documents necessary or proper in connection with the settlement of any claim or loss by Tenant. Tenant shall also maintain business interruption insurance and insurance for all plate glass upon the Leased Premises. All insurance specified in this Section 13.3 to be maintained by Tenant shall be maintained by Tenant at its sole cost.

#### ARTICLE 14 INDEMNIFICATION, WAIVER OF CLAIMS AND SUBROGATION

14.1 **Intent and Purpose.** This Article 14 is written and agreed to in respect of the intent of the parties to assign the risk of loss, whether resulting from negligence of the parties or otherwise, to the party who is obligated hereunder to cover the risk of such loss with insurance. Thus, the indemnity and waiver of claims provisions of this Lease have as their object, so long as such object is not in violation of public policy, the assignment of risk for a particular casualty to the party carrying the insurance for such risk, without respect to the causation thereof.

14.2 **Waiver of Subrogation.** Notwithstanding any provision of this Lease to the contrary, Tenant and Landlord hereby mutually waive their respective rights of recovery against each other for any loss that is covered under any policy of property damage insurance that such party actually maintains or would be covered under any policy that such party is required to maintain pursuant to this Lease notwithstanding that such loss, damage or liability may arise out of the negligent or intentionally tortious act or omission of the other party, its agents, officers or employees and/or notwithstanding that such party has failed to maintain the insurance policy required to be maintained by it under this Lease. Each party shall obtain any special endorsements required by their insurer to evidence compliance with the aforementioned waiver.

14.3 **Form of Policy.** Tenant's policies of insurance required hereunder shall (a) be provided at Tenant's expense; (b) for liability insurance policies, name the Landlord Entities as additional insureds (General Liability); (c) be issued by an insurance company with a minimum Best's rating of "A:VII" during the Term; and (d) to the extent available from Tenant's insurer, provide that said insurance shall not be canceled unless thirty (30) days prior written notice (ten days for non-payment of premium) shall have been given to Landlord, but in any event Tenant shall provide such notice such notice at least twenty (20) days prior to any such cancellation; a certificate of Liability insurance on ACORD Form 25 and a certificate of Property insurance on ACORD Form 27 shall be delivered to Landlord by Tenant upon the Commencement Date and prior to each renewal of said insurance.

14.4 **Indemnity.** Tenant shall protect, indemnify and hold Landlord, Landlord's investment manager, and the trustees, boards of directors, officers, general partners, beneficiaries, stockholders, employees and agents of each of them (the "**Landlord Entities**") harmless from and against any and all loss, claims, liability or costs (including court costs and attorney's fees) incurred by reason of (a) any damage to any property (including but not limited to property of any Landlord Entity) or any injury (including but not limited to death) to any person occurring in, on or about the Leased Premises, Building and or Complex to the extent that such injury or damage shall be caused by or arise from any actual or alleged act, neglect, fault, or omission by or of Tenant or any of Tenant's agents, contractors, employees, or licensees (collectively, the "**Tenant Entities**") to meet any standards imposed by any duty with respect to the injury or damage; or (b) the conduct or management of any work or thing whatsoever done by the Tenant in the Leased Premises. The provisions of this Article shall survive the termination of this Lease with respect to any claims or liability accruing prior to such termination.

14.5 **Defense of Claims.** In the event any action, suit or proceeding is brought against Landlord by reason of any such occurrence described in Sections 14.4(a) or (b) above, Tenant, upon Landlord's request, will at Tenant's expense resist and defend such action, suit or proceeding, or cause the same to be resisted and defended by

counsel designated either by Tenant or by the insurer whose policy covers the occurrence and in either case approved by Landlord. The obligations of Tenant under this Section arising by reason of any occurrence taking place during the Lease term shall survive any termination of this Lease.

14.6 **Waiver of Claims.** Except to the extent caused by Landlord's gross negligence or willful misconduct, Tenant hereby waives all claims against Landlord for damages to goods, wares, merchandise and loss of business, in, upon or about the Leased Premises or the Complex, and injury to Tenant, its agents, employees, invitees or third persons in, upon or about the Leased Premises or the Complex, where such damage or injury results from Landlord's failure to police or provide security for the Complex.

14.7 **References.** Wherever in this Article the term Landlord or Tenant is used and such party is to receive the benefit of a provision contained in this Article, such term shall refer not only to that party but also to its shareholders, officers, directors, employees, partners, members, managers, mortgagees and agents.

#### ARTICLE 15 LIABILITY AND OTHER INSURANCE

15.1 **Tenant's Insurance.** Tenant shall, at Tenant's expense, obtain and keep in force during the term of this Lease, a commercial general liability insurance policy insuring Tenant and protecting Landlord and the Landlord Entities against any liability to the public or to any invitee of Tenant or a Landlord Entity against the risks of, bodily injury and property damage, personal injury, contractual liability, completed operations, host liquor liability, owned and non-owned automobile liability arising out of the ownership, use, occupancy or maintenance of the Leased Premises and all areas appurtenant thereto. Such insurance shall be a combined single limit policy in an amount not less than ONE MILLION DOLLARS (\$1,000,000.00) per occurrence with a TWO MILLION DOLLAR (\$2,000,000.00) annual aggregate. Landlord, the Landlord Entities and any lender and any other party in interest designated by Landlord shall be named as additional insured(s). The policy shall contain cross liability endorsements with coverage for Landlord for the negligence of Tenant even though Landlord is named as an additional insured; shall insure performance by Tenant of the indemnity provisions of this Lease; shall be primary, not contributing with, and not in excess of coverage which Landlord may carry; shall provide for severability of interest; shall provide that an act or omission of one of the insured or additional insureds which would void or otherwise reduce coverage shall not void or reduce coverages as to the other insured or additional insureds; and shall afford coverage after the term of this Lease (by separate policy or extension if necessary) for all claims based on acts, omissions, injury or damage which occurred or arose (or the onset of which occurred or arose) in whole or in part during the term of this Lease. The limits of said insurance shall not limit any liability of Tenant hereunder.

15.2 **Workers' Compensation Insurance.** Tenant shall carry Workers' Compensation insurance as required by law, including an employers' liability endorsement.

15.3 **Other Insurance.** Tenant shall keep in force throughout the Term: (a) to the extent automobiles are used in connection with the operation of the Leased Premises, Business Auto Liability covering owned, non-owned and hired vehicles with a limit of not less than \$1,000,000 per accident; (b) Employers Liability with limits of \$1,000,000 each accident, \$1,000,000 disease policy limit, \$1,000,000 disease--each employee; and (c) Business Interruption Insurance for 100% of the 6 months actual loss sustained, and (d) Excess Liability in the amount of \$5,000,000. In addition, whenever Tenant shall undertake any alterations, additions or improvements in, to or about the Leased Premises ("**Work**") the aforesaid insurance protection must extend to and include injuries to persons and damage to property arising in connection with such Work, without limitation including liability under any applicable structural work act, and such other insurance as Landlord shall require; and the policies of or certificates evidencing such insurance must be delivered to Landlord prior to the commencement of any such Work.

#### ARTICLE 16 INSURANCE POLICY REQUIREMENTS & INSURANCE DEFAULTS

16.1 **General Requirements.** All insurance policies required to be carried by Tenant (except Tenant's business personal property insurance) hereunder shall conform to the following requirements:

- (a) The insurer in each case shall carry a designation in "Best's Insurance Reports" as issued from time to time throughout the term as follows: Policyholders' rating of A; financial rating of not less than VII;

(b) The insurer shall be qualified to do business in the state in which the Leased Premises are located; and

(d) Certificates of insurance shall be delivered to Landlord at commencement of the term and certificates of renewal at least thirty (30) days prior to the expiration of each policy;

16.2 **Tenant's Insurance Defaults.** If Tenant fails to obtain any insurance required of it under the terms of this Lease and such failure continues for a period of five (5) days after Landlord's notice of the same to Tenant, Landlord may, at its option, but is not obligated to, obtain such insurance on behalf of Tenant and bill Tenant, as additional rent, for the cost thereof. Payment shall be due within ten (10) days of receipt of the billing therefor by Tenant.

#### ARTICLE 17 FORFEITURE OF PROPERTY

17.1 **Removal of Personal Property.** Tenant agrees that as at the date of termination of this Lease or repossession of the Leased Premises by Landlord, by way of default or otherwise, it shall remove all personal property to which it has the right to ownership pursuant to the terms of this Lease. Any and all such property of Tenant not removed by such date shall, at the option of Landlord, irrevocably become the sole property of Landlord. Tenant waives all rights to notice and all common law and statutory claims and causes of action which it may have against Landlord subsequent to such date as regards the storage, destruction, damage, loss of use and ownership of the personal property affected by the terms of this Article. Tenant acknowledges Landlord's need to relet the Leased Premises upon termination of this Lease or repossession of the Leased Premises and understands that the forfeitures and waivers provided herein are necessary to aid said reletting, and to prevent Landlord incurring a loss for inability to deliver the Leased Premises to a prospective Tenant.

#### ARTICLE 18 MAINTENANCE AND REPAIRS

18.1 **Landlord's Obligations.** Subject to the other provisions of this Lease imposing obligations in this respect upon Tenant, Landlord shall repair, replace and maintain the external and Structural parts of the Building and Common Areas of the Complex which do not comprise a part of the Leased Premises and are not leased to others, janitor and equipment closets and shafts within the Leased Premises designated by Landlord for use by it in connection with the operation and maintenance of the Complex, and all Common Areas. Landlord shall perform such repairs, replacements and maintenance with reasonable dispatch, in a good and workmanlike manner; but Landlord shall not be liable for any damages, direct, indirect or consequential, or for damages for personal discomfort, illness or inconvenience of Tenant by reason of failure of such equipment, facilities or systems or reasonable delays in the performance of such repairs, replacements and maintenance, unless caused by the gross negligence or deliberate act or omission of Landlord. The cost for such repairs, maintenance and replacement shall be included in Operating Costs.

18.2 **Negligence of Tenant.** Subject to the provisions regarding the waiver of subrogation set forth in Section 14.2 above, if the Building, the elevators, boilers, engines, pipes or apparatus used for the purpose of climate control of the Building or operating the elevators, or if the water pipes, drainage pipes, electric lighting or other equipment of the Building, or the roof or the outside walls of the Building, fall into a state of disrepair or become damaged or destroyed through the negligence or intentional act of Tenant, its agents, officers, partners, employees or servants, the cost of the necessary repairs, replacements or alterations shall be borne by Tenant who shall pay the same to Landlord as additional charges forthwith on demand.

18.3 **Tenant's Obligations.** Tenant shall repair the Leased Premises, including without limiting the generality of the foregoing, all interior partitions and walls, fixtures, Tenant Improvements and alterations in the Leased Premises, fixtures and shelving, and special mechanical and electrical equipment which equipment is not a normal part of the Leased Premises installed by or for Tenant, reasonable wear and tear, damage with respect to which Landlord has an obligation to repair as provided in Section 18.1 and Section 19 hereof only excepted. Landlord may enter and view the state of repair and Tenant will repair in a good and workmanlike manner according to notice in writing.

18.4 Cleaning. Tenant agrees at the end of each business day to leave the Leased Premises in a reasonably clean condition for the purpose of the performance of Landlord's cleaning services referred to herein.

18.5 Waiver. Tenant waives all rights it may have under law to make repairs at Landlord's expense.

18.6 Acceptance. Except as to the construction obligations of Landlord, if any, stated in Exhibit B to this Lease, Tenant shall accept the Leased Premises in "as is" condition as of the date of execution of this Lease by Tenant, and subject to the punch list items referenced in section 4.5, Tenant acknowledges that the Leased Premises in such condition are in good and sanitary order, condition and repair.

#### ARTICLE 19 DESTRUCTION

19.1 Rights of Termination. In the event the Leased Premises suffers (a) an "uninsured property loss" (as hereinafter defined) or (b) a property loss which cannot be repaired within one hundred twenty (120) days from the date of destruction under the laws and regulations of state, federal, county or municipal authorities, or other authorities with jurisdiction, Landlord may terminate this Lease as of the date of the damage within twenty (20) days of written notice from Landlord to Tenant that the damage from the casualty was an uninsured property loss or that time to restore will exceed such one hundred twenty (120) day period. In the event of a property loss to the Leased Premises which cannot be repaired within one hundred eighty (180) of the occurrence thereof, Tenant shall also have the right to terminate the Lease by written notice to Landlord within twenty (20) days following notice from Landlord that the time for restoration will exceed such time period. Notwithstanding anything to the contrary contained in this Lease, Tenant shall not have the right to terminate this Lease if the casualty or other loss or damage was caused by the negligence or intentional misconduct of Tenant or any Tenant Entity or a party related to Tenant. For purposes of this Lease, the term "**uninsured property loss**" shall mean any loss arising from a peril not covered by the standard form of "All Risk" property insurance policy.

19.2 Repairs. In the event of a property loss which may be repaired within one hundred twenty (120) days from the date of the damage, or, in the alternative, in the event the parties do not elect to terminate this Lease under the terms of Section 19.1 above, then this Lease shall continue in full force and effect and Landlord shall forthwith undertake to make such repairs to reconstitute the Leased Premises to as near the condition as existed prior to the property loss as practicable. Landlord shall not be required to repair or replace any damage or loss by or from fire or other cause to any panelings, decorations, partitions, additions, railings, ceilings, floor coverings, office fixtures or any other property or improvements installed on the Leased Premises by, or belonging to, Tenant. Such partial destruction shall in no way annul or void this Lease except that Tenant shall be entitled to a proportionate reduction of Minimum Monthly Rent following the property loss and until the time the Leased Premises are restored. Such reduction shall be based on the ratio that the square footage of the damaged portion of the Leased Premises bears to the total square footage of the Leased Premises. So long as Tenant conducts its business in the Leased Premises, there shall be no abatement until the parties agree on the amount thereof. If the parties cannot agree within forty-five (45) days of the property loss, the matter shall be submitted to arbitration under the rules of the American Arbitration Association. Upon the resolution of the dispute, the settlement shall be retroactive and Landlord shall within ten (10) days thereafter refund to Tenant any sums due in respect of the reduced rental from the date of the property loss. Landlord's obligations to restore shall in no way include any construction originally performed by Tenant or subsequently undertaken by Tenant, but shall include solely that property constructed by Landlord prior to commencement of the Term hereof. Notwithstanding anything to the contrary contained in this Lease, in the event the holder of any indebtedness secured by a mortgage or deed of trust covering the Leased Premises, Building and/or Complex requires that any insurance proceeds be applied to such indebtedness, then Landlord shall have the right to terminate this Lease by delivering written notice of termination to Tenant within fifteen (15) days after such requirement is made by any such holder, whereupon this Lease shall end on the date of such damage as if the date of such damage were the date originally fixed in this Lease for the expiration of the Term.

19.3 Repair Costs. The cost of any repairs to be made by Landlord, pursuant to Section 19.2 of this Lease, shall be paid by Landlord utilizing available insurance proceeds. Tenant shall reimburse Landlord upon completion of the repairs for any deductible for which no insurance proceeds will be obtained under Landlord's insurance policy, or if other premises are also repaired, a pro rata share based on total costs of repair equitably apportioned to the Leased Premises.

19.4 Waiver. Tenant hereby waives all statutory or common law rights of termination in respect to any partial destruction or property loss which Landlord is obligated to repair or may elect to repair under the terms of this Article.

19.5 Landlord's Election. In the event that the Complex or Building is destroyed to the extent of not less than thirty-three and one-third percent (33-1/3%) of the replacement cost thereof, Landlord may elect to terminate this Lease, whether the Leased Premises be injured or not, in the same manner as in Section 19.1 above. In all events, a total destruction of the Complex or Building shall terminate this Lease.

19.6 Damage Near End of Term. If at any time during the last twelve (12) months of the term of this Lease there is, in Landlord's sole opinion, substantial damage to the Leased Premises or the Building, whether or not such casualty is covered in whole or in part by insurance, Landlord may at Landlord's option cancel and terminate this Lease as of the date of occurrence of such damage by giving written notice to Tenant of Landlord's election to do so within thirty (30) days after the date of occurrence of such damage and Landlord shall have no further liability hereunder. Substantial damage shall be defined as damage that will cost over \$50,000.00 to repair.

#### ARTICLE 20 CONDEMNATION

##### 20.1 Definitions.

(a) "**Condemnation**" means (i) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and/or (ii) a voluntary sale or transfer by Landlord to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(b) "**Date of taking**" means the date the condemnor has the right to possession of the property being condemned.

(c) "**Award**" means all compensation, sums or anything of value awarded, paid or received on a total or partial condemnation.

(d) "**Condemnor**" means any public or quasi-public authority, or private corporation or individual, having the power of condemnation.

##### 20.2 Total Taking. If the Leased Premises are totally taken by condemnation, this Lease shall terminate on the date of taking.

##### 20.3 Partial Taking: Common Areas.

(a) If any portion of the Leased Premises is taken by condemnation, this Lease shall remain in effect, except that Tenant can elect to terminate this Lease if 33-1/3% or more of the total number of square feet in the Leased Premises is taken.

(b) If any part of the Common Areas of the Complex is taken by condemnation, this Lease shall remain in full force and effect so long as there is no material interference with the access to the Leased Premises, except that if thirty percent (30%) or more of the Common Areas is taken by condemnation, Landlord or Tenant shall have the election to terminate this Lease pursuant to this Section.

(c) If fifty percent (50%) or more of the Building in which the Leased Premises are located is taken, Landlord shall have the election to terminate this Lease in the manner prescribed herein.

20.4 Termination or Abatement. If either party elects to terminate this Lease under the provisions of Section 20.3 (such party is hereinafter referred to as the "**Terminating Party**"), it must terminate by giving notice to the other party (the "**Nonterminating Party**") within thirty (30) days after the nature and extent of the taking have been finally determined (the "**Decision Period**"). The Terminating Party shall notify the Nonterminating Party of the date of termination, which date shall not be earlier than one hundred twenty (120) days after the Terminating Party has notified the Nonterminating Party of its election to terminate nor later than the date of taking. If Notice of Termination is not given within the Decision Period, the Lease shall continue in full force and effect except that

Minimum Monthly Rent shall be reduced by subtracting therefrom an amount calculated by multiplying the Minimum Monthly Rent in effect prior to the taking by a fraction the numerator of which is the number of square feet taken from the Leased Premises and the denominator of which is the number of square feet in the Leased Premises prior to the taking.

20.5 **Restoration.** If there is a partial taking of the Leased Premises and this Lease remains in full force and effect pursuant to this Article, Landlord, at its cost, shall accomplish all necessary restoration so that the Leased Premises is returned as near as practical to its condition immediately prior to the date of the taking, but in no event shall Landlord be obligated to expend more for such restoration than the extent of funds actually paid to Landlord by the condemnor.

20.6 **Award.** Any award arising from the condemnation or the settlement thereof shall belong to and be paid to Landlord except that Tenant shall receive from the award compensation for the following if specified in the award by the condemning authority, so long as it does not reduce Landlord's award in respect of the real property: Tenant's trade fixtures, tangible personal property, goodwill, loss of business and relocation expenses. At all events, Landlord shall be solely entitled to all award in respect of the real property, including the bonus value of the leasehold. Tenant shall not be entitled to any award until Landlord has received the above sum in full.

#### ARTICLE 21 ASSIGNMENT AND SUBLETTING

21.1 **Lease is Personal.** The purpose of this Lease is to transfer possession of the Leased Premises to Tenant for Tenant's personal use in return for certain benefits, including rent, to be transferred to the Landlord. Tenant acknowledges and agrees that it has entered into this Lease in order to occupy the Leased Premises for its own personal use and not for the purpose of obtaining the right to assign or sublet the leasehold to others except to the extent permitted herein.

21.2 **"Transfer of the Leased Premises" Defined.** Except for transfer described in section 21.5 hereof, the terms "Transfer of the Leased Premises" or "Transfer" as used herein shall include any of the following, whether voluntary or involuntary and whether effected by death, operation of law or otherwise:

(a) An assignment of all or any part this Lease or subletting of all or any part the Leased Premises or transfer of possession, or right of possession or contingent right of possession of all or any portion of the Leased Premises including, without limitation, concession, mortgage, deed of trust, devise, hypothecation, agency, license, franchise or management agreement, or the occupancy or use by any other person (the agents and servants of Tenant excepted) of any portion of the Leased Premises.

(b) If Tenant is a partnership, limited liability company or other entity other than a corporation described in Section 21.1 (c) below:

(1) A change in ownership effected voluntarily, involuntarily, or by operation of law of fifty percent (50%) or more of the partners or members or fifty percent (50%) or more in the aggregate of the partnership or membership interests, whether in a single transaction or series of transactions over a period of time or

(2) The sale, mortgage, hypothecation, pledge or other encumbrance at any time of more than an aggregate of fifty percent (50%) in the aggregate of the value of Tenant's assets, whether in a single transaction or series of transactions over a period of time; or

(3) The dissolution of the partnership or limited liability company without its immediate reconstitution.

(c) If Tenant is a closely held corporation (i.e., one whose stock is not publicly held and not traded through an exchange or over the counter):

(1) The sale or other transfer of more than an aggregate of fifty percent (50%) of the voting shares of Tenant or more in the aggregate, whether in a single transaction or series of transactions over a period of time;



(2) The sale, mortgage, hypothecation, pledge or other encumbrance at any time of more than an aggregate of fifty percent (50%) in the aggregate of the value of Tenant's assets, whether in a single transaction or series of transactions over a period of time; or

(3) The dissolution, merger, consolidation, or other reorganization of Tenant.

21.3 No Transfer Without Consent. Except for a Transfer described in section 21.5 hereof, Tenant shall not suffer a Transfer of the Leased Premises or any interest therein, or any part thereof, or any right or privilege appurtenant thereto without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed, and a consent to one Transfer of the Leased Premises shall not be deemed to be a consent to any subsequent Transfer of the Leased Premises. Any Transfer of the Leased Premises without such consent shall be void, and shall, at the option of Landlord, terminate this Lease. Any Transfer of the Leased Premises without such consent shall (i) be voidable, and (ii) terminate this Lease, in either case, at the option of Landlord. The consent by Landlord to any Transfer shall not include consent to the assignment or transferring of any lease renewal option rights or space option rights of the Leased Premises, special privileges or extra services granted to Tenant by this Lease, or addendum or amendment thereto or letter of agreement (and such options, rights, privileges or services shall terminate upon such assignment), unless Landlord specifically grants in writing such options, rights, privileges or services to such assignee or subtenant.

21.4 When Consent Granted. The consent of Landlord to a Transfer may not be unreasonably withheld, provided that it is agreed to be reasonable for Landlord to consider any of the following reasons, which list is not exclusive, in electing to deny consent:

- (a) The financial strength of the proposed transferee at the time of the proposed Transfer is not at least equal to that of Tenant at the time of execution of this Lease;
- (b) A proposed transferee whose occupation of the Leased Premises would cause a diminution in the reputation of the Complex or the other businesses located therein;
- (c) A proposed transferee whose impact or affect on the common facilities or the utility, efficiency or effectiveness of any utility or telecommunication system serving the Building or the Complex or the other occupants of the Complex would be adverse, disadvantageous or require improvements or changes in any utility or telecommunication capacity currently serving the Building or the Complex;
- (d) A proposed transferee whose occupancy will require a variation in the terms of this Lease (including, without limitation, a variation in the use clause) or which otherwise adversely affects any interest of Landlord;
- (e) The existence of any uncured default by Tenant under any provision of this Lease after notice of such default;
- (f) A proposed transferee who is, or whose business is, subject to compliance with additional laws or other governmental requirements beyond those to which Tenant or Tenant's business is subject;
- (g) Either the proposed transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed transferee or an affiliate of the proposed transferee, (i) occupies space in the Building at the time of the request for consent, or (ii) is negotiating with Landlord to lease space in the Building or in the Complex at such time;
- (h) the proposed Transferee is a governmental agency or unit, a non-profit or charitable entity or organization or an existing tenant in the Complex;
- (i) Landlord otherwise reasonably determines that the proposed Transfer would have the effect of decreasing the value of the Building or the Complex, or increasing the expenses associated with operating, maintaining and repairing the Building or the Complex;

- (j) the rent proposed to be charged by Tenant to the proposed transferee during the term of such Transfer, calculated using a present value analysis, is less than ninety-five percent (95%) of the rent then being quoted by Landlord, at the proposed time of such Transfer, for comparable space in the Building or any other building in the Complex for a comparable term, calculated using a present value system;
- (k) the proposed Transferee will use, store or handle Hazardous Materials (defined below) in or about the Leased Premises of a type, nature or quantity not then acceptable to Landlord; or
- (l) the portion of the Premises to be sublet or assigned is irregular in shape with inadequate means of ingress and egress.

21.5 Affiliated Transfer. Notwithstanding the foregoing, Landlord's consent is not required for any Transfer to an Affiliate, as defined below, as long as the following conditions are met:

- (a) At least ten (10) business days before the Transfer (or, if confidentiality prohibits advance notice, within five (5) business days after the Transfer), Landlord receives written notice of the Transfer and documentation effecting the Transfer;
- (b) The Transfer is not a subterfuge by Tenant to avoid its obligations under this Lease;
- (c) If the Transfer is an assignment, Transferee assumes in writing all of Tenant's obligations under this Lease relating to the Leased Premises; and
- (d) Transferee has a tangible net worth, as evidenced by financial statements delivered to Landlord and certified by an independent certified public accountant or an officer of the Transferee in accordance with generally accepted accounting principles that are consistently applied ("**Net Worth**"), at least equal to Tenant's Net Worth either immediately before the Transfer or as of the date of this Lease, whichever is greater.

For purposes hereof, the term "**Affiliate**" means any entity that controls, is controlled by, or is under common control with Tenant. "**Control**" means the direct or indirect ownership of more than fifty percent (50%) of the voting securities of an entity or possession of the right to vote more than fifty percent (50%) of the voting interest in the ordinary direction of the entity's affairs.

21.6 Procedure for Obtaining Consent. In the event Tenant desires to sublet, or permit such occupancy of, the Premises, or any portion thereof, or assign this Lease, Tenant shall give written notice thereof to Landlord at least thirty (30) days but no more than one hundred twenty (120) days prior to the proposed commencement date of such subletting or assignment, which notice shall set forth the name of the proposed subtenant or assignee, the relevant terms of any sublease or assignment and copies of financial reports and other relevant financial information of the proposed subtenant or assignee. With respect to a Transfer requiring Landlord's consent, Landlord need not commence its review of any proposed Transfer, or respond to any request by Tenant with respect to such, unless and until it has received from Tenant adequate descriptive information concerning the business to be conducted by the proposed transferee, the transferee's financial capacity, and such other information as may reasonably be required in order to form a prudent judgment as to the acceptability of the proposed Transfer, including, without limitation, the following:

- (a) The past two years' Federal Income Tax returns of the proposed transferee (or in the alternative the past two years' audited annual Balance Sheets and Profit and Loss statements, certified correct by a Certified Public Accountant);
- (b) Banking references of the proposed transferee;
- (c) A resume of the business background and experience of the proposed transferee;
- (d) At least five (5) business and three (3) personal references for the proposed transferee; and

(e) An executed copy of the instrument by which Tenant proposes to effectuate the Transfer.

21.7 **Recapture.** By written notice to Tenant (the "**Termination Notice**") within thirty (30) days following submission to Landlord by Tenant of the information specified in section 21.6, Landlord may (1) terminate this Lease in the event of an assignment of this Lease or sublet of the entire Leased Premises, or (2) terminate this Lease as to the portion of the Leased Premises to be sublet, if the sublet is to be of less than the entire Leased Premises. If Landlord elects to terminate under the provisions hereof, and the area to be terminated is less than the entire Leased Premises, an amendment to this Lease shall be executed in which Tenant's obligations for rent and other charges shall be reduced in proportion to the reduction in the size of the Leased Premises caused thereby by restating the description of the Leased Premises, and its monetary obligations hereunder shall be reduced by multiplying such obligations by a fraction, the numerator of which is the Rentable Area of the Leased Premises offered for sublease and the denominator of which is the Rentable Area of the Leased Premises immediately prior to such termination, as determined by Landlord in its sole and absolute discretion.

21.8 **Reasonable Restriction.** The restrictions on Transfer described in this Lease are acknowledged by Tenant to be reasonable for all purposes, including, without limitation, the provisions of California Civil Code (the "**Code**") Section 1951.4(b)(2). Tenant expressly waives any rights which it might otherwise be deemed to possess pursuant to applicable law, including, without limitation, Section 1997.040 of the Code, to limit any remedy of Landlord pursuant to Section 1951.2 or 1951.4 of the Code by means of proof that enforcement of a restriction on use of the Leased Premises would be unreasonable.

21.9 **Effect of Transfer.** If Landlord consents to a Transfer and does not elect to recapture as provided in section 21.7, the following conditions shall apply:

- (a) Each and every covenant, condition or obligation imposed upon Tenant by this Lease and each and every right, remedy or benefit afforded Landlord by this Lease shall not be impaired or diminished as a result of such Transfer.
- (b) Tenant shall pay to Landlord on a monthly basis, fifty percent ( 50%) of the excess of any sums of money, or other economic consideration received by Tenant from the Transferee in such month (whether or not for a period longer than one month), including higher rent, bonuses, key money, or the like over the aggregate of the total sums which Tenant pays Landlord under this Lease in such month, or the prorated portion thereof if the Leased Premises transferred is less than the entire Leased Premises. The amount so derived shall be paid with Tenant's payment of Minimum Monthly Rent.
- (c) No Transfer, whether or not consent of Landlord is required hereunder, shall relieve Tenant of its primary obligation to pay the rent and to perform all other obligations to be performed by Tenant hereunder. The acceptance of rent by Landlord from any person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any Transfer of the Leased Premises.
- (d) If Landlord consents to a sublease, such sublease shall not extend beyond the expiration of the Term of this Lease.
- (e) No Transfer shall be valid and no transferee shall take possession of the Leased Premises or any part thereof unless, Tenant shall deliver to Landlord, at least ten (10) days prior to the effective date of such Transfer, a duly executed duplicate original of the Transfer instrument in form satisfactory to Landlord which provides that (i) the transferee assumes Tenant's obligations for the payment of rent and for the full and faithful observance and performance of the covenants, terms and conditions contained herein, (ii) such transferee will, at Landlord's election, attorn directly to Landlord in the event Tenant's Lease is terminated for any reason on the terms set forth in the instrument of transfer and (iii) such instrument of transfer contains such other assurances as Landlord reasonably deems necessary.

21.10 **Costs.** Tenant shall reimburse Landlord as additional rent for Landlord's reasonable costs and attorneys' fees incurred in conjunction with the processing and documentation of any proposed Transfer of the Leased Premises, whether or not consent is granted, not to exceed \$2,500.00 unless Tenant or its Transferee requests

changes to this Lease or Landlord's form of consent, in which case such monetary limitation shall not apply. The reference to changes in this Lease or Landlord's form of consent shall not be deemed or constructed as an agreement, commitment or assurance by Landlord that any changes will be made.

21.11 Restrictions on Marketing the Space. Tenant may not enter into any listing agreement for marketing the Leased Premises or any portion thereof other than through the exclusive leasing agent designated by Landlord for the Building. Tenant may not promote or advertise the availability of the Leased Premises or any part thereof unless Landlord has approved Tenant's advertising or promotional materials in writing.

#### ARTICLE 22 ENTRY BY LESSOR

22.1 Rights of Landlord. Tenant shall permit Landlord and Landlord's agents and any mortgagee under a mortgage or beneficiary under a deed of trust encumbering the Building containing the Leased Premises and such party's agents to enter the Leased Premises at all reasonable times for the purpose of (a) inspecting the same, (b) maintaining the Building, (c) making repairs, replacements, alterations or additions to any portion of the Building, including the erection and maintenance of such scaffolding, canopies, fences and props as may be required, (d) posting notices of non-responsibility for alterations, additions or repairs, (e) placing upon the Building any usual or ordinary "for sale" signs and showing the space to prospective purchasers, investors and lenders, without any rebate of rent and without any liability to Tenant for any loss of occupation or quiet enjoyment of the Leased Premises thereby occasioned, and (f) placing on the Leased Premises any "to let" or "to lease" signs and marketing and showing the Leased Premises to prospective tenants. This Section in no way affects the maintenance obligations of the parties hereto.

#### ARTICLE 23 SIGNS

23.1 Suite Signage. At its expense, Tenant may install a sign identifying Tenant's name next on or next to the main entrance door to the Leased Premises, which sign will be consistent with the Landlord's standard Building suite signage for such purposes and otherwise reasonably approved by Landlord. Any change to such sign shall be subject to Landlord's reasonable prior written approval and shall be at Tenant's expense.

23.2 Lobby Directory. If a directory exists in the main lobby of the Building, Landlord will include Tenant's name in the directory of the lobby in the Building, and Tenant will pay for the initial cost to include Tenant's name in such directory. Any changes to Tenant's name or its listing in such directory shall be at Tenant's expense.

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. Tenant may not install any signs on the exterior or roof of the Project or the Common Areas. 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. The cost of installation and regular maintenance of any such signs approved by Landlord shall be at the sole expense of Tenant. At the termination of this Lease, or any extension thereof, Tenant shall remove all its signs, and all damage caused by such removal shall be repaired at Tenant's expense.

#### ARTICLE 24 DEFAULT

24.1 Definition. The occurrence of any of the following shall constitute a material default and breach of this Lease by Tenant:

(a) Payment. Any failure by Tenant to pay the rent or to make any other payment required to be made by Tenant hereunder when due; provided, however, that not more frequently than twice each calendar year, Tenant shall not be in default for failure to pay Rent or any other sum unless Tenant fails to make such payment within five (5) business days after receipt of written notice of such failure from Landlord. The foregoing notice and cure period shall not be deemed a waiver or release of the obligation to pay late charges and interest for payments not made when due.

(b) Other Covenants. A failure by Tenant to observe and perform any other provision of this Lease to be observed or performed by Tenant, where such failure continues for ten (10) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of the default is such that the same cannot reasonably be cured within the thirty (30) day period allowed, Tenant shall not be deemed to be in default if Tenant shall, within such thirty (30) day period, commence to cure and thereafter diligently prosecute the same to completion. Notwithstanding the foregoing, any default by Tenant to comply with the terms and conditions contained in Article 15 (Liability Insurance), Article 16 (Insurance Policy Requirements and Insurance Defaults), Article 32 (Estoppel Certificates) and/or Section 33.25 (Financial Statements and Credit Reports) shall be an immediate default without benefit of notice or opportunity to cure; or

(c) Receivership. Either ( 1) the appointment of a receiver (except a receiver appointed at the instance or request of Landlord) to take possession of all or substantially all of the assets of Tenant, or (2) a general assignment by Tenant for the benefit of creditors, or (3) any action taken or suffered by Tenant under any insolvency or bankruptcy act shall constitute a breach of this Lease by Tenant , and, in the case of any such proceeding commenced against Tenant, such proceeding is not dismissed within ninety (90) days after the commencement thereof. In such event, Landlord may, at its option, declare this Lease terminated and forfeited by Tenant, and Landlord shall be entitled to immediate possession of the Leased Premises. Upon such notice of termination, this Lease shall terminate immediately and automatically by its own limitation.

#### ARTICLE 25 REMEDIES UPON DEFAULT

25.1 Termination and Damages. In the event of any default by Tenant which continues beyond applicable notice and cure periods under Section 24.1 above, then in addition to any other remedies available to Landlord herein or at law or in equity (subject to the measure of damages set forth herein), Landlord shall have the immediate option to terminate this Lease and all rights of Tenant hereunder by giving written notice of such intention to terminate. In the event that Landlord shall elect to so terminate this Lease, then Landlord may recover from Tenant:

- (a) The worth at the time of award of any unpaid rent which had been earned at the time of such termination; plus
- (b) 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 Tenant proves could have been reasonably avoided; plus
- (c) The worth at the time of award of the amount by which the unpaid 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; plus
- (d) Any other amount reasonably 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 events would be likely to result therefrom; and
- (e) 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 the applicable law in the state in which the Leased Premises are located.

25.2 Definition. As used in subsections 25.1(a) and (b) above, the "worth at the time of award" is computed by allowing interest at the rate of ten percent ( 10%) per annum. As used in subsection 25.1 (c) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank for the region in which the Complex is located at the time of award plus one percent (1 %).

25.3 Personal Property. In the event of any default by Tenant, Landlord shall also have the right and option, with or without terminating this Lease, to do any one or combination of the following:

- (a) to reenter the Leased Premises and remove all persons and property from the Leased Premises;

(b) to have all of Tenant's fixtures, furniture, equipment, improvements, additions, alterations and other personal property remain upon the Leased Premises during the length of any default by Tenant or a lesser period; or

(c) to require Tenant to forthwith remove such property.

Landlord shall have the sole right to take exclusive possession of such property and to use it, rent, or charge free, until all defaults are cured. If Landlord shall remove property from the Leased Premises, Landlord may, in its sole and absolute discretion, store such property in the Complex, in a public warehouse or elsewhere. All costs incurred by Landlord under this section, including, without limitation, those for removal and storage (including, without limitation, charges imposed by Landlord for storage within the Complex), shall be at the sole cost of and for the account of Tenant. The rights stated herein are in addition to Landlord's rights described in Article 17.

25.4 Recovery of Rent; Reletting.

(a) In the event of the vacation or abandonment of the Leased Premises by Tenant or in the event that Landlord shall elect to reenter as provided in Section 25.3 above, or shall take possession of the Leased Premises pursuant to legal proceeding or pursuant to any notice provided by law, then if Landlord does not elect to terminate this Lease as provided in Section 25.1 above, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession, and Landlord may enforce all its rights and remedies under this Lease, including, without limitation, Landlord's right from time to time, without terminating this Lease, to either recover all rental as it becomes due or relet the Leased Premises or any part thereof for such term or terms and at such rental or rentals and upon such other terms and conditions as Landlord, in its sole discretion, may deem advisable with the right to make alterations and repairs to the Leased Premises. Acts of maintenance or preservation or efforts to relet the Leased Premises or the appointment of a receiver upon initiation of Landlord or other legal proceeding granting Landlord or its agent possession to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession.

(b) In the event that Landlord shall elect to so relet, then rentals received by Landlord from such reletting shall be applied: first, to the payment of any indebtedness other than rent due hereunder from Tenant to Landlord; second, to the payment of any cost of such reletting; third, to the payment of the cost of any alterations and repairs to the Leased Premises; fourth, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be held by Landlord and applied in payment of future rent as the same may become due and payable hereunder. Should that portion of such rentals received from such reletting during any month, which is applied by the payment of rent hereunder, be less than the rent payable during that month by Tenant hereunder, then Tenant shall pay such deficiency to Landlord immediately upon demand therefor by Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Landlord, as soon as ascertained, any costs and expenses incurred by Landlord in such reletting or in making such alterations and repairs not covered by the rentals received from such reletting.

(c) No reentry or taking possession of the Leased Premises or any other action under this Section shall be construed as an election to terminate this Lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any reletting without termination by Landlord because of any default by Tenant, Landlord may at any time after such reletting elect to terminate this Lease for any such default.

(d) Landlord has the remedy described in California Civil Code Section 1951.4 (Landlord may continue Lease in effect after Tenant's breach and abandonment and recover rent as it becomes due, if Tenant has right to sublet or assign, subject only to reasonable limitations).

25.5 No Waiver. Landlord shall use commercially reasonable efforts to mitigate damages caused by Tenant's default to the extent mitigation is required of Landlord under applicable law in connection with Landlord's election to terminate this Lease due to Tenant's default. Efforts by Landlord to mitigate the damages caused by Tenant's default in this Lease shall not constitute a waiver of Landlord's right to recover damages hereunder, nor shall Landlord have any obligation to mitigate damages hereunder.

25.6 Curing Defaults. Should Tenant fail to repair, maintain, and/or service the Leased Premises, or any part or contents thereof at any time or times, or perform any other obligations imposed by this Lease or otherwise and such failure continues for the lesser of thirty (30) days or such shorter period of time provided in this Lease, Landlord may perform or contract for the performance of the repair, maintenance, or other Tenant obligation, and Tenant shall pay Landlord for all direct and indirect costs incurred in connection therewith within thirty (30) days of receiving a bill therefor from Landlord; provided, however, that no such prior notice shall be required in an emergency.

25.7 Cumulative Remedies. The various rights, options, election powers, and remedies of Landlord contained in this Article and elsewhere in this Lease shall be construed as cumulative and no one of them exclusive of any others or of any legal or equitable remedy which Landlord might otherwise have in the event of breach or default, and the exercise of one right or remedy by Landlord shall not in any way impair its right to any other right or remedy, subject to the limits on the measure of damages set forth herein.

#### ARTICLE 26 BANKRUPTCY

26.1 Bankruptcy Events. If at any time during the term of this Lease there shall be filed by or against Tenant in any court pursuant to any statute either of the United States or of any state a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of Tenant's property, or if a receiver or trustee takes possession of any of the assets of Tenant, or if the leasehold interest herein passes to a receiver, or if Tenant makes an assignment for the benefit of creditors or petitions for or enters into an arrangement ( any of which are referred to herein as "**a bankruptcy event**"), then the following provisions shall apply:

(a) Assume or Reject. At all events any receiver or trustee in bankruptcy or Tenant as debtor in possession ("**debtor**") shall either expressly assume or reject this Lease within the earlier of one hundred twenty (120) days following the filing of a petition in bankruptcy or entry of an "Order for Relief" or such earlier period of time provided by law.

(b) Cure. In the event of an assumption of the Lease by a debtor, receiver or trustee, such debtor, receiver or trustee shall immediately after such assumption ( 1) cure any default or provide adequate assurances that defaults will be promptly cured; and (2) compensate Landlord for actual pecuniary loss or provide adequate assurances that compensation will be made for actual pecuniary loss; and (3) provide adequate assurance of future performance.

(c) Adequate Assurance. For the purposes of paragraph 26.1 (b), adequate assurance of future performance of all obligations under this Lease shall include, but is not limited to:

(1) written assurance that rent and any other consideration due under the Lease shall first be paid before any other of Tenant's costs of operation of its business in the Leased Premises is paid;

(2) written agreement that assumption of this Lease will not cause a breach of any provision hereof including, but not limited to, any provision relating to use or exclusivity in this or any other Lease, or agreement relating to the Leased Premises, or if such a breach is caused, the debtor, receiver or trustee will indemnify Landlord against such loss (including costs of suit and attorneys' fees), occasioned by such breach;

(d) Landlord's Obligation. Where a default exists under the Lease, the party assuming the Lease may not require Landlord to provide services or supplies incidental to the Lease before its assumption by such trustee or debtor, unless Landlord is compensated under the terms of the Lease for such services and supplies provided before the assumption of such Lease.

(e) Assignment. The debtor, receiver, or trustee may assign this Lease only if adequate assurance of future performance by the assignee is provided, whether or not there has been a default under the Lease. Any consideration paid by any assignee in excess of the rental reserved in the Lease shall be the sole property of, and paid to, Landlord. Upon assignment by the debtor or trustee, the obligations of the Lease shall be deemed to have been assumed, and the assignee shall execute an assignment agreement on request of Landlord.

(f) Fair Value. Landlord shall be entitled to the fair market value for the Leased Premises and the services provided by Landlord (but in no event less than the rental reserved in the Lease) subsequent to the commencement of a bankruptcy event.

(g) Reservation of Rights. Landlord specifically reserves any and all remedies available to Landlord in Article 25 hereof or at law or in equity in respect of a bankruptcy event by Tenant to the extent such remedies are permitted by law.

#### ARTICLE 27 SURRENDER OF LEASE

27.1 No Merger. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work as a merger, and shall, at the option of Landlord, terminate all or any existing subleases or subtenancies, or may, at the option of Landlord, operate as an assignment to it of any or all such subleases or subtenancies.

#### ARTICLE 28 LANDLORD'S EXCULPATION

28.1 Limited Liability. Redress for any claim against Landlord under this Lease shall be limited to and enforceable only against and to the extent of Landlord's interest in the Complex. The obligations of Landlord shall not be personally binding on, nor shall any resort be had to the private properties of, any of its or its investment manager's trustees, directors, officers, partners, beneficiaries, members, stockholders, employees, or agents, and in no case shall either party be liable to the other party hereunder for any lost profits, damage to business, or any form of special, indirect or consequential damages, except that the foregoing limitation shall not apply to limit Landlord's claim against Tenant for rent for the remainder of the Term and damages permitted under Article 25 of this Lease.

#### ARTICLE 29 ATTORNEYS' FEES

29.1 Attorneys' Fees. In the event of any litigation or arbitration (if each party in its sole and absolute discretion elects to use arbitration) proceeding between the parties with respect to this Lease, then all costs and expenses, including without limitation, all reasonable professional fees such as appraisers', accountants' and attorneys' fees, incurred by the prevailing party therein shall be paid or reimbursed by the other party. The "**prevailing party**" means the party determined by the court or arbitrator (if the parties elected to use arbitration) to have most nearly prevailed, even if such party did not prevail in all matters, not necessarily the one in whose favor a judgment is rendered. If, on account of any breach or default by Tenant in Tenant's obligations under the terms and conditions of this Lease which continues beyond applicable notice and cure periods, it shall become necessary or appropriate for Landlord to employ or consult with an attorney or collection agency concerning or to enforce or defend any of Landlord's rights or remedies arising under this Lease or to collect any sums due from Tenant, Tenant agrees to pay all costs and fees so incurred by Landlord, including, without limitation, reasonable attorneys' fees and costs. Should Landlord be named as a defendant or requested or required to appear as a witness or produce any documents in any suit brought by Tenant against any other party or against Tenant in connection with or arising out of Tenant's occupancy hereunder, Tenant shall pay to Landlord its costs and expenses incurred in such suit, including without limitation, all reasonable professional fees such as appraisers', accountants' and attorneys' fees. The provisions of this section shall survive the expiration or termination of this Lease.

#### ARTICLE 30 NOTICES

30.1 Writing. All notices, demands and requests required or permitted to be given or made under any provision of this Lease shall be in writing. A notice shall be sufficiently given for all purposes as follows:

- (a) When personally delivered to the recipient, notice is effective on delivery.
- (b) When mailed first class to the last address of the recipient known to the party giving notice, notice is effective on delivery.
- (c) When mailed by certified mail with return receipt requested, notice is effective on receipt if delivery is confirmed by a return receipt.



- (d) When delivered by overnight delivery by FedEx or other reputable courier service with charges prepaid or charged to the sender's account, notice is effective on delivery if delivery is confirmed by the delivery service.
- (e) When sent by facsimile to the last facsimile number of the recipient known to the party giving notice with confirmation that the transmission was sent; however, notice given by facsimile that is sent after 5 p.m. (recipient's time) or on a nonbusiness day shall be considered to have been received on the next business day.
- (f) When sent by email transmission, notice is effective, provided sender receives no "undeliverable" notification; however, notice given by email that is sent after 5 p.m. (recipient's time) or on a nonbusiness day shall be considered to have been received on the next business day.

If a representative is not generally available during normal business hours to accept delivery or receipt of a notice, then a notice of default or other notice may be sent by first class mail to the last address of the recipient known to the party giving the notice, in which case such notice is effective on the third day after deposit such notice in the mail. A notice may be sent by a party's attorney. Any correctly addressed notice that is refused, unclaimed, or undelivered because of an act or omission of the party to be notified shall be considered to be effective as of the first date that the notice was refused, unclaimed or considered undeliverable by postal authorities, messenger, or overnight delivery service.

#### ARTICLE 31 SUBORDINATION AND FINANCING PROVISIONS

31.1 Priority of Encumbrances. This Lease is subordinate to any ground lease, mortgage, deed of trust or any other hypothecation for security now or hereafter placed upon the real property of which the Leased Premises are a part and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. If any mortgagee, trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such mortgage, deed of trust or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust or ground lease or the date of recording thereof.

31.2 Execution of Documents. Tenant agrees to execute any documents required to further effectuate such subordination or to make this Lease prior to the lien of any mortgage, deed of trust or ground lease, as the case may be, if requested by Landlord or any lender. It is understood by all parties that Tenant's failure to execute the subordination documents referred to above may cause Landlord serious financial damage by causing the failure of a financing or sale transaction.

31.3 Attornment. If the holder of any ground lease, mortgage, deed of trust or security described above (or its successor-in-interest), enforces its remedies provided by law or under the pertinent mortgage, deed of trust or security instrument and succeeds to Landlord's interest in the Leased Premises, Tenant shall, upon request of any person succeeding to the interest of such lender as result of such enforcement, automatically become the Tenant of said successor-in-interest without change in the terms or other provisions of this Lease, provided, however, that said successor-in-interest shall not be (i) bound by any payment of rent for more than thirty (30) days in advance, except prepayment in the nature of security for the performance by Tenant of its obligations under this Lease, (ii) liable for any act or omission of any previous landlord (including Landlord), provided that as successor landlord it shall be obligated to cure any continuing default of the prior landlord of which it has received prior written notice and shall be liable for acts or omissions accruing or arising after such successor's succession to the position of landlord and commencement of control and management of the Property, (iii) subject to any offset, defense, recoupment or counterclaim that Tenant may have given to any previous landlord (including Landlord), or (iv) liable for any deposit that Tenant may have given to any previous landlord (including Landlord) that has not, as such, been transferred to said successor-in-interest. Within ten (10) days after receipt of request by said successor-in-interest, Tenant shall execute and deliver an instrument or instruments confirming such attornment, including a non-disturbance, attornment and subordination agreement in a form required by any such successor-in-interest.

31.4 Notice and Right to Cure Default. Tenant agrees to give any mortgagee(s) and/or trust deed holders, by registered mail, a copy of any notice of default served upon Landlord, provided that prior to such notice

Tenant has been notified, in writing (by way of Notice of Assignment of Rents and Leases, or otherwise), of the address of such mortgagees and/or trust deed holders. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then the mortgagees and/or trust deed holders shall have an additional thirty (30) days within which to cure such default or, if such default cannot be cured within that time, then such additional time as may be necessary if, within such thirty (30) days, any mortgagee and/or trust deed holder has commenced and is diligently pursuing the remedies necessary to cure such default (including but not limited to commencement of foreclosure proceedings, if necessary to effect such cure), in which event this Lease shall not be terminated while such remedies are being so diligently pursued.

#### ARTICLE 32 ESTOPPEL CERTIFICATES

32.1 Execution by Tenant. Within ten (10) business days after receipt of written request by Landlord, Tenant shall execute and deliver to Landlord an estoppel certificate acknowledging such facts regarding this Lease as Landlord may reasonably require, including without limitation, that to the extent of Tenant's knowledge and to the extent the same is accurate (and if not accurate, specifying the same) (i) this Lease is in full force and effect, binding and enforceable in accordance with its terms and unmodified (or if modified, specifying the written modification documents); (ii) no default exists on the part of Landlord or Tenant under this Lease; (iii) there are no events which with the passage of time, or the giving of notice, or both, would create a default under this Lease; (iv) no rent in excess of one month's rent has been paid in advance; (v) Tenant has not received any written notice of any other sale, assignment, transfer, mortgage or pledge of this Lease or the rent due hereunder; and (vi) Tenant has no defense, setoff, recoupment or counterclaim against Landlord. Any such estoppel certificate may be relied upon by Landlord, any lender and any prospective purchaser of the Building or Complex or any interest therein. Failure to comply with this Article shall be a material breach of this Lease by Tenant giving Landlord all rights and remedies under this Lease, as well as a right to damages caused by the loss of a loan or sale which may result from such failure by Tenant.

32.2 Financial Statements and Credit Reports. At Landlord's request, Tenant shall deliver to Landlord a copy, certified by an officer of Tenant as being a true and correct copy, of Tenant's most recent audited financial statement, or, if unaudited, certified by Tenant's chief financial officer as being true, complete and correct in all material respects. Tenant hereby authorizes Landlord to obtain one or more credit reports on Tenant at any time, and shall execute such further authorizations as Landlord may reasonably require in order to obtain a credit report.

#### ARTICLE 33 MISCELLANEOUS PROVISIONS

33.1 Effect of Waiver. The waiver by Landlord or Tenant of any breach of any Lease provision by the other party shall not be deemed to be a waiver of such Lease provision or any subsequent breach of the same or any other term, covenant or condition therein 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 provision of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. Any failure by Landlord or Tenant to insist upon strict performance by the other of this Lease of any of the terms and provisions of the Lease or any guaranty of this Lease shall not be deemed to be a waiver of any of the terms or provisions of the Lease or such guaranty, and Landlord or Tenant, as the case may be, shall have the right thereafter to insist upon strict performance by the other of any and all of them.

33.2 Holdover Over. Tenant shall pay Landlord for each day Tenant retains possession of the Premises or part of them after termination of this Lease by lapse of time or otherwise at the rate ("**Holdover Rate**") which shall be One Hundred Fifty Percent ( 150%) of the Minimum Monthly Rent for the last period prior to the date of such termination plus Tenant's Proportionate Share of Operating Costs, Real Estate Taxes and Insurance, prorated on a daily basis, and also pay all actual damages sustained by Landlord by reason of such retention. If Landlord gives notice to Tenant of Landlord's election to such effect, such holding over shall constitute renewal of this Lease for a period from month to month at the Holdover Rate, but if the Landlord does not so elect, no such renewal shall result notwithstanding acceptance by Landlord of any sums due hereunder after such termination; and instead, a tenancy at sufferance at the Holdover Rate shall be deemed to have been created. In any event, no provision of this Section 33.2 shall be deemed to waive Landlord's right of reentry or any other right under this Lease or at law. Additionally, in the event that upon termination of the Lease, Tenant has not fulfilled its obligation with respect to repairs and

cleanup of the Leased Premises or any other Tenant obligations as set forth in this Lease, then Landlord shall have the right to perform any such obligations as it deems necessary at Tenant's sole cost and expense, and any time required by Landlord to complete such obligations shall be considered a period of holding over and the terms of this section shall apply.

33.3 Binding Effect. The covenants and conditions herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.

33.4 Time of the Essence. Time is of the essence of this Lease with respect to each and every article, section and subsection hereof.

33.5 Release of Landlord. If, during the term of this Lease, Landlord shall sell its interest in the Building or Complex of which the Leased Premises form a part, or the Leased Premises, then from and after the effective date of the sale or conveyance, Landlord shall be released and discharged from any and all obligations and responsibilities under this Lease, except those already accrued.

33.6 Rules and Regulations. Landlord or such other person(s) as Landlord may appoint shall have the exclusive control and management of the Common Areas and Building and shall have the right, from time to time, to establish, modify, amend and enforce reasonable rules and regulations with respect thereto. Tenant agrees to abide by and conform to all such rules and regulations, and to cause its employees, suppliers, shippers, customers, and invitees to so abide and conform. Landlord shall not be responsible to Tenant for the non-compliance with said rules and regulations by other tenants of the Building or Complex. In the event of conflict between the rules and regulations and this Lease, the terms of this Lease shall control.

33.7 Transfer to Purchaser. If any security be given by Tenant to secure the faithful performance of all or any of the covenants of this Lease on the part of Tenant, Landlord may transfer and/or deliver the security, as such, to the purchaser of the reversion, in the event that the reversion be sold, and thereupon Landlord shall be discharged from any further liability in reference thereto.

33.8 Late Charges. Tenant acknowledges that late payment by Tenant to Landlord of rent or any other payment due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impractical to fix. Such costs include, without limitation, processing and accounting charges, and late charges that may be imposed on Landlord by the terms of any encumbrance and note secured by any encumbrance covering the Leased Premises. Therefore, if any installment of rent, or any other payment due hereunder from Tenant is not received by Landlord when due, Tenant shall pay to Landlord an additional sum of five percent (5%) of such rent or other charge as a late charge; provided, however, that Landlord agrees that Tenant shall not have to pay such late charge if it makes its payment in full within five (5) days after the date such payment is due, except that this grace period shall only be applicable for the first two times each calendar year that Tenant fails to pay any monthly Minimum Rent or any additional rent when due. The parties agree that this late charge represents a fair and reasonable estimate of the cost that Landlord will incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant default with respect to the overdue amount, or prevent Landlord from exercising any other rights or remedies available to Landlord.

33.9 Interest. Any amount owed by Tenant to Landlord which is not paid within ten (10) days when due shall bear interest at the lesser of ten percent ( 10%) per annum or the maximum rate of interest permitted to be contracted for by law. However, interest shall not be payable on late charges to be paid by Tenant under this Lease. The payment of interest on such amounts shall not excuse or cure any default by Tenant under this Lease.

33.10 Authorization to Execute. If Tenant is a corporation, limited liability company, partnership or other entity, each individual executing this Lease on behalf of said organization represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said organization in accordance with a duly adopted resolution or other applicable authorization of said organization, and that this Lease is binding upon said organization in accordance with its terms. Further, if requested by Landlord, Tenant shall, within thirty (30) days after such request, deliver to Landlord a certified copy of a resolution or other applicable authorization of said organization authorizing or ratifying the execution of this Lease.

- 33.11 Captions. The captions of this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease.
- 33.12 Number and Gender. Whenever the singular number is used in this Lease and when required by the context, the same shall include the plural, the plural shall include the singular, and the masculine gender shall include the feminine and neuter genders, and the word "person" shall include corporation, firm or association. If there be more than one Tenant, the obligations imposed under this Lease upon Tenant shall be joint and several.
- 33.13 Modifications. This instrument contains all of the agreements, conditions and representations made between the parties to this Lease and may not be modified orally or in any other manner than by an agreement in writing signed by all of the parties to this Lease.
- 33.14 Payments. Except as otherwise expressly stated, each payment required to be made by Tenant shall be in addition to and not in substitution for other payments to be made by Tenant.
- 33.15 Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.
- 33.16 No Offer. The preparation and submission of a draft of this Lease by either party to the other shall not constitute an offer, nor shall either party be bound to any terms of this Lease or the entirety of the Lease itself until both parties have fully executed a final document and an original signature document has been received by both parties. Until such time as described in the previous sentence, either party is free to terminate negotiations with no obligation to the other.
- 33.17 Light, Air and View. No diminution of light, air, or view by any structure which may hereafter be erected (whether or not by Landlord) shall entitle Tenant to any reduction of Rent, result in any liability of Landlord to Tenant, or in any other way affect this Lease or Tenant's obligations hereunder.
- 33.18 Public Transportation Information. Tenant shall establish and maintain during the Term hereof a program to encourage maximum use of public transportation by personnel of Tenant employed on the Leased Premises, including without limitation the distribution to such employees of written materials explaining the convenience and availability of public transportation facilities adjacent or proximate to the Complex, staggering working hours of employees, and encouraging use of such facilities, all at Tenant's sole reasonable cost and expense. Tenant shall comply with all requirements of any local transportation management ordinance.
- 33.19 Joint and Several Liability. Should Tenant consist of more than one person or entity, they shall be jointly and severally liable on this Lease.
- 33.20 Survival of Obligations. All obligations of Tenant which may accrue or arise during the term of this Lease or as a result of any act or omission of Tenant during said term shall, to the extent they have not been fully performed, satisfied or discharged, survive the expiration or termination of this Lease.
- 33.21 Real Estate Brokers. Landlord and Tenant each represents and warrants to the other party that it has not authorized, retained or employed, or acted by implication to authorize, retain or employ, any real estate broker or salesman to act for it or on its behalf in connection with this Lease so as to cause the other party to be responsible for the payment of a brokerage commission, except for the Broker(s) identified in Article 1, whose commissions shall be paid by Landlord pursuant to a separate written agreement. Landlord and Tenant shall each indemnify, defend and hold the other party harmless from and against any and all claims by any real estate broker or salesman (other than the Brokers) whom the indemnifying party authorized, retained or employed, or acted by implication to authorize, retain or employ, to act for the indemnifying party in connection with this Lease.
- 33.22 Waiver of California Code Sections. In this Lease, numerous provisions have been negotiated by the parties, some of which provisions are covered by statute. Whenever a provision of this Lease and a provision of any statute or other law cover the same matter, the provisions of this Lease shall control. Therefore, Tenant waives (for itself and all persons claiming under Tenant) the provisions of Civil Code Sections 1932(2) and 1933(4) with respect to the destruction of the Leased Premises; Civil Code Sections 1941 and 1942 with respect to Landlord's

repair duties and Tenant's right to repair; Code of Civil Procedure Section 1265.130, allowing either party to petition the Superior Court to terminate this Lease in the event of a partial taking of the Leased Premises by condemnation as herein defined; and any right of redemption or reinstatement of Tenant under any present or future case law or statutory provision (including Code of Civil Procedure Sections 473 and 1179 and Civil Code Section 3275) in the event Tenant is dispossessed from the Leased Premises for any reason. This waiver applies to future statutes enacted in addition to or in substitution for the statutes specified herein.

33.23 Quiet Enjoyment. So long as Tenant is not in default hereunder beyond applicable notice and cure periods, Tenant shall have the right to possession and quiet enjoyment of the Leased Premises free from any unreasonable disturbance or interference, subject to the terms and provisions of the Lease.

33.24 Representation. Neither Tenant nor any of its constituent partners, managers, members or shareholders, nor any beneficial owner of Tenant or of any such partner, manager, member or shareholder (a) is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the Treasury ("OFAC") pursuant to the Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) ("Order"); (b) is listed on any other list of terrorists or terrorist organizations maintained pursuant to the Order, the rules and regulations of OFAC or any other applicable requirements contained in any enabling legislation or other Executive Orders in respect of the Order (the Order and such other rules, regulations, legislation or orders are collectively called the "Orders"); (c) is engaged in activities prohibited in the Orders; or (d) has been convicted, pleaded nolo contendere, indicted, arraigned or custodially detained on charges involving money laundering or predicate crimes to money laundering.

33.25 Counterparts. This Lease may be executed in one or more counterparts, including any facsimile or other electronic version of same, each of which shall be deemed an original, but all of which when taken together shall constitute one agreement. Any facsimile or other electronic signature shall constitute a valid and binding method for executing this Lease. Executed counterparts of this Lease exchanged by facsimile transmission or other electronic means shall be fully enforceable.

*[the balance of this page has been intentionally left blank; signature page follows]*

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

TENANT: KRONOS BIO, INC.,  
a Delaware corporation

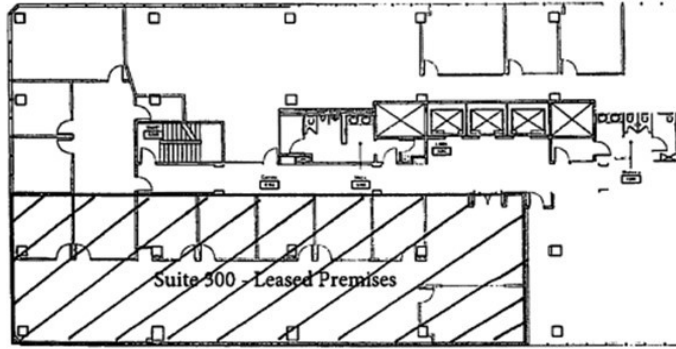
By: /s/ Norbert Bischofberger  
Name: NORBERT BISCHOFBERGER  
Its: PRESIDENT + CEO

LANDLORD: DWF IV 1300 S EL CAMINO, LLC,  
a Delaware limited liability company

By: Divco West Real Estate Services, Inc.,  
a Delaware corporation  
Its Agent  
By: /s/ Michael Pelletier  
Name: Michael Pelletier  
Its: Authorized Signatory

**EXHIBIT A - FLOOR PLAN OF LEASED PREMISES**

Exhibit A is intended only to show the general layout of the Leased Premises as of the beginning of the Term of this Lease. The area depicted below with the diagonal lines is the general outline of the Leased Premises. The depiction of interior windows, cubicles, modules, furniture and equipment in this Exhibit is for illustrative purposes only, but does not mean that such items exist. Landlord is not required to provide, install or construct any such items. It does not in any way supersede any of Landlord's rights set forth in the Lease with respect to arrangements and/or locations of public parts of the Building and changes in such arrangements and/or locations. It is not to be scaled; any measurements or distances shown should be taken as approximate. The inclusion of elevators, stairways electrical and mechanical closets, and other similar facilities for the benefit of occupants of the Building does not mean such items are part of the Leased Premises.



**EXHIBIT B - WORK LETTER FOR TENANT IMPROVEMENTS**

This Exhibit B forms a part of that certain Office Lease (the "**Lease**") by and between DWF IV 1300 SEL CAMINO, LLC, a Delaware limited liability company, as Landlord, and KRONOS BIO, INC., a Delaware corporation, as Tenant, to which this Exhibit is attached. If there is any conflict between this Exhibit and the Lease regarding the construction of the Tenant Improvements (hereinafter defined), this Exhibit shall govern.

1. **Defined Terms.** All defined terms referred to in this Exhibit shall have the same meaning as defined in the Lease to which this Exhibit is a part, except where expressly defined to the contrary.
2. **Additional Definitions.** Each of the following terms shall have the following meaning:

**"Force Majeure Delays"** - Any delay, other than a Tenant Delay, by Landlord in completing the Tenant Improvements by the Estimated Commencement Date set forth in the Lease by reason of (i) any strike, lockout or other labor trouble or industrial disturbance (whether or not on the part of the employees of either party hereto), (ii) governmental preemption of priorities or other controls in connection with a national or other public emergency, civil disturbance, riot, war, sabotage, blockade, embargo, inability to secure customary materials, supplies or labor through ordinary sources by reason of regulation or order of any government or regulatory body, or (iii) shortages of fuel, materials, supplies or labor, (iv) lightning, earthquake, fire, storm, tornado, flood, washout explosion, inclement weather or any other similar industry-wide or Building-wide cause beyond the reasonable control of Landlord, or (v) any other cause, whether similar or dissimilar to the above, beyond Landlord's reasonable control. The time for performance of any obligation of Landlord to construct the Tenant Improvements under this Exhibit or the Lease shall be extended at Landlord's election by the period of any delay caused by any of the foregoing events.

**"Substantial Completion," "Substantially Complete," "Substantially Completed"** - The terms Substantial Completion, Substantially Completed and Substantially Complete shall mean when the Tenant Improvements have been substantially completed, except "punch list" items which may be completed without materially impairing Tenant's use of the Leased Premises or a material portion thereof.

**"Tenant Delay"** - Any delay incurred by Landlord in completing the Tenant Improvements due to (i) a delay by Tenant, or by any person employed or engaged by Tenant, in approving or delivering to Landlord any samples, plans, schedules or information beyond the applicable time period set forth in this Exhibit, if any; (ii) a delay in the performance of work in the Leased Premises by Tenant or any person employed by Tenant; (iii) any changes requested by Tenant in or to previously approved work; (iv) requests for materials and finishes which are not readily available, and/or delays in delivery of any materials specified by Tenant through change orders; (v) interference by Tenant with the construction of the Tenant Improvements; or (vi) any delay attributable to the failure of Tenant to pay, when due, any amounts required to be paid by Tenant pursuant to this Exhibit or otherwise provided in the Lease.

**"Tenant Improvements"** - The improvements to be installed by Landlord in the Leased Premises consisting of the following work:

1. Landlord shall paint one accent wall in the entry of the Leased Premises.

The type, quality and color of the carpet and paint shall be Landlord's standard building color and materials. If different samples of Landlord's standard building materials are offered by Landlord, then Tenant shall select color of the carpet and paint from samples or colors offered by Landlord within two (2) days after request by Landlord. If Tenant fails to make such selection within such time period, Landlord may make the selection in its sole and absolute discretion or Landlord may elect, in its sole and absolute discretion, not to make such selection and treat the failure of Tenant to make such color selection as a Tenant Delay. If Tenant wants any paint or color that is not offered by Landlord as its building standard, such request by Tenant shall be subject to Landlord's approval in its sole and absolute discretion and any additional time to order and obtain such materials shall constitute a Tenant Delay and all additional costs for such materials shall be paid by Tenant within thirty (30) days after request by Landlord.



2. Construction of the Tenant Improvements.

2.1. Construction. Landlord shall construct the Tenant Improvements. The construction contract for constructing the Tenant Improvements and the contractor(s) to perform the work shall be approved and/or selected, as the case may be, by Landlord at its sole and absolute discretion without the consent of Tenant.

2.2. Tenant's Responsibility. Tenant shall be solely responsible for the suitability for Tenant's needs and business of the design and function of the Leased Premises. Tenant shall also be responsible for procuring or installing in the Leased Premises any trade fixtures, equipment, furniture, furnishings, telephone equipment or other personal property ("**Personal Property**") to be used in the Leased Premises by Tenant, and the cost of such Personal Property shall be paid by Tenant. Tenant shall conform to the Building's wiring standards in installing any telephone, computer and communication equipment and shall be subject to any and all rules of Landlord during construction.

3. Payment of Construction Costs. Landlord shall pay for the costs to construct the Tenant Improvements based on the Tenant Improvements described as of the date hereof. Any additional costs due to changes in the Tenant Improvements requested by Tenant, or the selection by Tenant of non-standard building materials or colors, or as a result of any Tenant Delay shall be paid by Tenant as provided in section 4 below.

4. Changes in Work. Tenant shall not be permitted to make any change in the Tenant Improvements without the prior written approval of Landlord, which may be exercised, and made subject to such conditions as Landlord may require, in its sole and absolute discretion. Any change approved by Landlord that in Landlord's judgment results in a delay in constructing the Tenant Improvements shall be deemed a Tenant Delay, and shall extend the time period by which Landlord must Substantially Complete the Tenant Improvements, but shall not extend or postpone the date for payment of rent or for commencement of the Term under this Lease. The cost of such changes and the additional costs as a result of any other Tenant Delay, including the cost to obtain any permits and construct any additional improvements required as a result thereof, and the cost for materials and labor, and all other additional costs incurred by Landlord from resulting delays in completing the Tenant Improvements, shall be paid by Tenant to Landlord within ten (10) days after Tenant's receipt of notice from Landlord. If Landlord does not receive such payment within said ten (10) day period, Landlord shall have the right, in addition to any other rights or remedies available under the Lease, at law or in equity, to (i) discontinue all or any portion of the work until it receives said payment; (ii) proceed with the other work not affected by such change until such payment is received; (iii) proceed with the work contemplated with such change; or (iv) proceed with the work without making such change; in which case the commencement or completion of such work shall not be deemed a waiver of Tenant's obligation to pay for same or any additional costs or expenses incurred as a result thereof. Any delay caused as a result of such a change or request for a change shall constitute a Tenant Delay.

5. Tenant's Lease Default. Notwithstanding any provision to the contrary contained in the Lease, if an event of default by Tenant under the Lease or this Exhibit has occurred and is continuing beyond applicable notice and cure periods at any time on or before the Substantial Completion of the Tenant Improvements, then in addition to all other rights and remedies granted to Landlord pursuant to the Lease, (i) Landlord shall have the right to cause cease the construction of the Tenant Improvements (in which case, Tenant shall be responsible for any delay in the Substantial Completion of the Tenant Improvements caused by such work stoppage), and (ii) all other obligations of Landlord under the terms of this Exhibit shall be forgiven until such time as such default is cured pursuant to the terms of the Lease.

**EXHIBIT C -ACKNOWLEDGEMENT OF COMMENCEMENT DATE**

This Acknowledgement of Commencement Date is dated as of \_\_\_\_\_, between DWF IV 1300 S EL CAMINO, LLC, a Delaware limited liability company ("**Landlord**"), and KRONOS BIO, INC., a Delaware corporation ("**Tenant**"), who entered into an Office Lease dated for reference purposes as of \_\_\_\_\_, 2018 covering certain premises located in Suite 300 of the Building at 1300 South El Camino Real, San Mateo, California. All capitalized terms, if not defined herein, shall be defined as they are defined in the Lease.

1. The parties to this document hereby agree that the date of \_\_\_\_\_ is the "Commencement Date" of the Term.
2. Tenant hereby confirms the following:
  - (a) That it has accepted possession of Leased Premises pursuant to the terms of the Lease; and
  - (b) That the Tenant Improvements required to be furnished according to the Lease by Landlord in the Leased Premises have been Substantially Completed.
3. This agreement, each and all of the provisions hereof, shall inure to the benefit, or bind, as the case may require, the parties hereto, and their respective heirs, successors, and assigns subject to the restrictions upon assignment and subletting contained in the Lease
4. Each party represents and warrants to the other that it is duly authorized to enter into this Amendment and perform its obligations without the consent or approval of any other party and that the person signing on its behalf is duly authorized to sign on behalf of such party.
5. This document may be executed in one or more counterparts, including any facsimile or other electronic version of same, each of which shall be deemed an original, but all of which when taken together shall constitute one agreement. Any facsimile or other electronic signature shall constitute a valid and binding method for executing this document. Executed counterparts of this document exchanged by facsimile transmission or other electronic means shall be fully enforceable.

**LANDLORD:**

DWF IV 1300 S EL CAMINO, LLC,  
a Delaware limited liability company

By: Divco West Real Estate Services, Inc.,  
a Delaware corporation  
Its Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**TENANT:**

KRONOS BIO, INC.,  
a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

#### EXHIBIT D- RULES AND REGULATIONS

All capitalized terms referred to in this Exhibit shall have the same meaning provided in the Office Lease to which this Exhibit is attached, except where expressly provided to the contrary in this Exhibit D.

1. No sidewalks, entrance, passages, courts, elevators, vestibules, stairways, corridors or halls shall be obstructed or encumbered by Tenant or used for any purpose other than ingress and egress to and from the Leased Premises and if the Leased Premises are situated on the ground floor of the Building, Tenant shall further, at Tenant's own expense, keep the sidewalks and curb directly in front of the Leased Premises clean and free from rubbish.
2. No awning or other projection shall be attached to the outside walls or windows of the Building or Complex without the prior written consent of Landlord in its sole and absolute discretion. No curtains, blinds, shades, drapes or screens shall be attached to or hung in, or used in connection with any window or door of the Leased Premises, without the prior written consent of Landlord in its sole and absolute discretion. Such awnings, curtains, blinds, shades, drapes, screens and other fixtures must be of a quality, type, design, color, material and general appearance approved by Landlord, and shall be attached in the manner approved by Landlord in its sole and absolute discretion. All lighting fixtures hung in offices or spaces along the perimeter of the Leased Premises must be of a quality, type, design, bulb color, size and general appearance approved by Landlord.
3. No sign, advertisement, notice, lettering, decoration or other thing shall be exhibited, inscribed, painted or affixed by Tenant on any part of the outside or inside of the Leased Premises or of the Building, without the prior written consent of Landlord in its sole and absolute discretion. In the event of the violation of the foregoing by Tenant, Landlord may remove same without any liability, and may charge the expense incurred by such removal to Tenant.
4. The sashes, sash doors, skylights, windows and doors that reflect or admit light or air into the halls, passageways or other public places in the Building or Complex shall not be covered or obstructed by Tenant, nor shall any bottles, parcels or other articles be placed on the window sills or in the public portions of the Building or Complex.
5. No show cases or other articles shall be put in front of or affixed to any part of the exterior of the Building or Complex, nor placed in public portions thereof without the prior written consent of Landlord.
6. The restrooms, toilets, wash bowls, and other apparatus shall not be used for any purpose other than that for which they were constructed, and no sweepings, rubbish, rags or other foreign substance of any kind shall be thrown into them. The expense of any breakage, stoppage, or damage resulting from violation of this rule shall be borne by the tenant who caused, or whose agents, servants, employees, contractors, visitors or licensees caused, the breakage, stoppage, or damage.
7. Tenant shall not mark, paint, drill into or in any way deface any part of the Leased Premises or the Building or Complex. No boring, cutting or stringing of wires shall be permitted, except with the prior written consent of Landlord, and as Landlord may direct, in its sole and absolute discretion.
8. No animal or bird or bicycle or vehicle of any kind shall be brought into or kept in or about the Leased Premises, Building or Complex, except seeing-eye dogs or other seeing-eye animals or other animals or equipment required by any disabled employee or invitee of Tenant.
9. Prior to leaving the Leased Premises for the day, Tenant shall draw or lower window coverings and extinguish all lights. Tenant shall assume all responsibility, including keeping doors locked and other means of entry to the Premises closed, for protecting the Premises from theft, robbery, and pilferage.
10. Tenant shall not make, or permit to be made, any unseemly or disturbing noises or disturb or interfere with any occupant of the Building or Complex, or neighboring buildings or premises, or those having business with them. Tenant shall not harass or annoy any occupant of the Building or Complex, including, without limitation, any act or conduct that may violate, breach or infringe upon any federal, state or local laws or civil rights,

including those pertaining to the protection of the civil rights of any person based on sex, race, religion, sexual preference, age or other consideration. Tenant shall not throw anything out of the doors, windows or skylights or down the passageways.

11. Neither Tenant nor any of Tenant's agents, servants, employees, contractors, visitors or licensees shall at any time bring or keep upon the Leased Premises, Building or Complex any flammable, combustible or explosive fluid, chemical or substance.

12. No additional locks, bolts or mail slots of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any change be made in existing locks or the mechanism thereof. Tenant must, upon the termination of the tenancy, restore to Landlord all keys of stores, offices and toilet rooms, either furnished to, or otherwise procured by Tenant, and in the event of the loss of any keys so furnished, Tenant shall pay to Landlord the cost thereof.

13. No furniture, freight, or equipment of any kind may be brought into or out of the Building without prior notice to Landlord. All moving activity into or out of the Building must be scheduled with Landlord and done only at the time and in the manner designated by Landlord. No service deliveries (other than messenger services) shall be allowed between the hours of 7:00 a.m. and 9:00 a.m., 12:00 p.m. and 1:00 p.m., and 4:00 p.m. and 6:00 p.m., Monday through Friday. Landlord may at any time restrict the elevators and areas of the Building into which messengers may enter and may require that deliveries be left at the lobby security desk for pickup by Tenant. Landlord may prescribe the weight, size, and position of all safes and other heavy property brought into the Building and the times and manner of moving those items within and out of the Building. Tenant shall not overload the floor of the Leased Premises. If considered necessary by Landlord, safes and other heavy objects must stand on supports that are adequate to distribute the weight properly. Landlord shall not be responsible for loss of or damage to any safe or property. Any damage to any part of the Building or to its contents, occupants, or visitors caused by moving or maintaining any safe or other property referred to in this clause shall be the sole responsibility and expense of Tenant. Landlord reserves the right to inspect all safes, freight or other bulky articles to be brought into the Building and to exclude from the Building all safes, freight or other bulky articles which violate any of these Rules and Regulations or the Lease of which these Rules and Regulations are a part. No packages, supplies, equipment, or merchandise may be received in the Building or carried up or down in the elevators, except between those hours and in that specific elevator that Landlord shall designate.

14. Landlord shall have the right to prohibit any advertising or business conducted by Tenant referring to the Building which, in Landlord's good faith opinion, tends to impair the reputation of the Building or its desirability as a first class building for offices and/or commercial services and upon notice from Landlord, Tenant shall refrain from or discontinue such advertising.

15. Landlord reserves the right to exclude from the Building between the hours of 6:00 p.m. and 8:00 a.m. Monday through Friday, after 1:00 p.m. on Saturdays and at all hours Sundays and legal holidays, all persons who do not present a pass to the Building issued by Landlord. Such hours are subject to change in Landlord's sole and absolute discretion upon written from Landlord. Landlord may furnish passes to Tenant so that Tenant may validate and issue same. Tenant shall safeguard said passes and shall be responsible for all acts of persons in or about the Building who possess a pass issued to Tenant. Landlord reserves the right to exclude or expel from the Building and Complex any person who, in Landlord's judgment, is under the influence of alcohol or drugs or commits any act in violation of any of these Rules and Regulations.

16. When departing after the Building's normal business hours, Tenant and Tenant's employees and agents must be sure that the doors to the Building are securely closed and locked. Any person, including Tenant and Tenant's employees and agents, who enters or leaves the Building at any time when it is locked or at any time considered to be after the Building's normal business hours, may be required to sign the Building register. Access to the Building may be refused unless the person seeking access has proper identification or has previously arranged a pass for access to the Building. Landlord and its agents shall not be liable for damages for any error concerning the admission to, or exclusion from, the Building of any person. Landlord reserves the right, in the event of invasion, mob, riot, public excitement, or other commotion, to prevent access to the Building or Complex during the continuance of that event by any means it considers appropriate for the safety and protection of life and property.

17. Tenant's contractors shall, while in the Leased Premises, Building or elsewhere in the Complex, be subject to and under the control and direction of the Building Manager (but not as agent or servant of said Building Manager or of Landlord).
18. If the Leased Premises is or becomes infested with vermin as a result of the use or any misuse or neglect of the Leased Premises by Tenant, its agents, servants, employees, contractors, visitors or licensees, Tenant shall forthwith at Tenant's expense cause the same to be exterminated from time to time to the satisfaction of Landlord and shall employ such licensed exterminators as shall be approved in writing in advance by Landlord.
19. The requirements of Tenant will be attended to only upon application at the office of the Building. Building personnel shall not perform any work or do anything outside of their regular duties unless under special instructions from the office of the Landlord.
20. Tenant and Tenant's employees, agents, contractors and invitees shall not loiter in or on the entrances, corridors, sidewalks, lobbies, halls, stairways, elevators, or common areas for the purpose of smoking tobacco products or for any other purpose. Tenant and Tenant's employees and agents shall not obstruct those areas but use them only as a means of ingress to and egress from the Leased Premises, Building or Complex. Canvassing, soliciting and peddling in the Building or Common Areas of the Complex are prohibited and Tenant shall cooperate to prevent the same.
21. No air conditioning unit or system or other apparatus shall be installed or used by Tenant without the written consent of Landlord in its sole and absolute discretion. Tenant shall not waste electricity, water, or air-conditioning and shall cooperate fully with Landlord to ensure the most effective operation of the Building's heating and air-conditioning system.
22. There shall not be used in any premises, or in the public halls, plaza areas, lobbies, or elsewhere in the Building or Complex, either by Tenant or by jobbers or others, in the delivery or receipt of merchandise, any hand trucks or dollies, except those equipped with rubber tires and sideguards.
23. Tenant, Tenant's agents, servants, employees, contractors, licensees, or visitors shall not park any vehicles in any driveways, service entrances, or areas posted "No Parking" and shall comply with any other parking restrictions imposed by Landlord from time to time.
24. Tenant shall install and maintain, at Tenant's sole cost and expense, an adequate visibly marked (at all times properly operational) fire extinguisher next to any duplicating or photocopying machine or similar heat producing equipment, which may or may not contain combustible material, in the Leased Premises, Building or Complex.
25. Tenant shall keep its window coverings closed during any period of the day when the sun is shining directly on the windows of the Leased Premises.
26. Tenant shall not use the name of the Building for any purpose other than as the address of the business to be conducted by Tenant in the Leased Premises, nor shall Tenant use any picture of the Building in its advertising, stationery or in any other manner without the prior written permission of Landlord. Landlord expressly reserves the right at any time to change said name without in any manner being liable to Tenant therefor.
27. Tenant shall not prepare any food nor do any cooking, operate or conduct any restaurant, luncheonette or cafeteria for the sale or service of food or beverages to its employees or to others, except that food and beverage preparation by Tenant's employees using microwave ovens or coffee makers shall be permitted; provided, however, no popcorn may be cooked, heated or otherwise prepared in any microwave oven or any other equipment in the Leased Premises and no odors of cooking or other processes may emanate from the Leased Premises. Tenant shall not install or permit the installation or use of any vending machine or permit the delivery of any food or beverage to the Leased Premises except by such persons and in such manner as are approved in advance in writing by Landlord.

28. Business machines and mechanical equipment shall be placed and maintained by Tenant at Tenant's expense in settings sufficient in Landlord's judgment to absorb and prevent vibration, noise and annoyance. Tenant shall not install any machine or equipment which causes noise, heat, cold or vibration to be transmitted to the structure of the Building in which the Leased Premises are located without Landlord's prior written consent in its sole and absolute discretion. Tenant shall not place a load upon any floor of the Leased Premises exceeding the floor load per square foot which such floor was designed to carry and which is allowed by law.

29. Smoking is prohibited in the Building, including, without limitation, the main lobby, all hallways, all elevators, all elevator lobbies and all restrooms.

30. Tenant shall store all trash and garbage within the interior of the Leased Premises. Tenant shall not place or have placed in the trash boxes or receptacles any material that may not or cannot be disposed of in the ordinary and customary manner of removing and disposing of trash in the vicinity of the Building. In disposing of trash and garbage, Tenant shall comply fully with any law or ordinance governing that disposal. All trash, garbage, and refuse disposal shall be made only through entry-ways and elevators provided for that purpose and shall be made only at times designated by Landlord.

31. Tenant shall comply with requests by Landlord that Tenant inform Tenant's employees of items of importance to Landlord.

32. Tenant may not introduce telephone, cable or other communication or telecommunication wires or other wires into the Leased Premises without first obtaining Landlord's approval of the method and location of such introduction. No boring or cutting for telephone wires or other wires shall be allowed without Landlord's consent. The location of telephones, call boxes, and other office equipment affixed to the Premises shall be subject to Landlord's prior approval.

33. Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations or to make any additional reasonable Rules and Regulations that, in Landlord's sole and absolute discretion, may be necessary for:

- (a) The management, safety, care, and cleanliness of the Leased Premises, Building or Complex;
- (b) The preservation of good order; or
- (c) The convenience of other occupants and tenants in the Building or Complex.

Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenants. No waiver by Landlord shall be construed as a waiver of those Rules and Regulations in favor of any other tenant, and no waiver shall prevent Landlord from enforcing those Rules or Regulations against any other tenant of the Building or Complex.

## FIRST AMENDMENT TO OFFICE LEASE

**THIS FIRST AMENDMENT TO OFFICE LEASE** (this "**Amendment**") is made and entered into as of the 23rd day of March, 2020, by and between MPVCA SAN MATEO LLC, a California limited liability company ("**Landlord**"), and KRONOS BIO, INC., a Delaware corporation ("**Tenant**").

### RECITALS

- A. Landlord (as successor in interest to DWF IV 1300 S El Camino, LLC) and Tenant are parties to that certain Office Lease dated July 19, 2018 (the "**Lease**"). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately 4,661 square feet of Rentable Area (the "**Original Premises**") described as Suite No. 300 on the third floor of the building located at 1300 South El Camino Real, San Mateo, California (the "**Building**").
- B. Tenant has requested that additional space containing approximately 3,414 square feet of Rentable Area described as Suite No. 302 on the third floor of the Building shown on **Exhibit A** hereto (the "**Expansion Space**") be added to the Original Premises and that the Lease be appropriately amended and Landlord is willing to do the same on the following terms and conditions.
- C. The Lease by its terms shall expire on August 31, 2021 ("**Prior Termination Date**"), and the parties desire to extend the Term of the Lease, all on the following terms and conditions.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

- I. **Expansion.** Effective as of the Expansion Effective Date (defined below), the Premises, as defined in the Lease, is increased from 4,661 square feet of Rentable Area on the 3rd floor(s) to 8,075 square feet of Rentable Area on the 3rd floor by the addition of the Expansion Space, and from and after the Expansion Effective Date, the Original Premises and the Expansion Space, collectively, shall be deemed the Premises, as defined in the Lease. The Term of the Lease for the Expansion Space shall commence on the Expansion Effective Date and end on the Extended Termination Date (as hereinafter defined). The Expansion Space is subject to all the terms and conditions of the Lease except as expressly modified herein and except that Tenant shall not be entitled to receive any allowances, abatements or other financial concessions granted with respect to the Original Premises unless such concessions are expressly provided for herein with respect to the Expansion Space.

- A. The "**Expansion Effective Date**" shall be the later to occur of (i) May 1, 2020 ("**Target Expansion Effective Date**"), and (ii) the date upon which the Landlord's Work (as described in **Exhibit B** hereto) in the Expansion Space has been substantially completed; provided, however, that if Landlord shall be delayed in substantially completing the Landlord's Work in the Expansion Space as a result of the occurrence of a Tenant Delay (defined below), then, for purposes of determining the Expansion Effective Date, the date of substantial completion shall be deemed to be the day that said Landlord's Work would have been substantially completed absent any such Tenant Delay(s). A "**Tenant Delay**" means any act or omission of Tenant or its agents, employees, vendors or contractors that actually delays substantial completion of the Landlord's Work (provided Landlord shall only be entitled to claim an extension for a Tenant Delay if Landlord gives Tenant notice of such Tenant Delay within 2 days after the commencement of such delay).

The Expansion Space shall be deemed to be substantially completed on the date that Landlord's architect certifies that all Landlord's Work has been performed (or would have been performed absent any Tenant Delays), other than minor details of construction,

mechanical adjustment or any other matter, the noncompletion of which does not materially interfere with Tenant's use of the Expansion Space. The adjustment of the Expansion Effective Date and, accordingly, the postponement of Tenant's obligation to pay rent on the Expansion Space shall be Tenant's sole remedy and shall constitute full settlement of all claims that Tenant might otherwise have against Landlord by reason of the Expansion Space not being ready for occupancy by Tenant on the Target Expansion Effective Date.

B. Any delay in the Expansion Effective Date beyond the Target Expansion Effective Date resulting from a COVID-19 Related Event shall not subject Landlord to any liability for any loss or damage resulting therefrom. If the Expansion Effective Date is so delayed, the Extended Termination Date (defined below) shall not be similarly extended. For Purposes of this Amendment, a "COVID-19 Related Event" means the inability of Landlord to access the services of other persons or entities to perform the Landlord's Work as a result of COVID-19 pandemic restrictions.

II. **Extension.** The Term of the Lease is hereby extended for a period of forty-four (44) months and shall expire on April 30, 2025 ("**Extended Termination Date**"), unless sooner terminated in accordance with the terms of the Lease. That portion of the Term commencing the day immediately following the Prior Termination Date ("**Extension Date**") and ending on the Extended Termination Date shall be referred to herein as the "**Extended Term**".

III. **Minimum Monthly Rent.**

A. **Original Premises From Expansion Effective Date Through Extended Termination Date.** As of the Expansion Effective Date, the schedule of Minimum Monthly Rent payable with respect to the Original Premises for the balance of the original Term and the Extended Term is the following:

Months of Term or Period	Minimum Monthly Rent
May 1, 2020 – July 31, 2020	\$26,148.21
August 1, 2020 – July 31, 2021	\$26,949.46
August 1, 2021 – July 31, 2022	\$27,757.94
August 1, 2022 – July 31, 2022	\$28,618.54
August 1, 2023 – July 31, 2022	\$29,504.13
August 1, 2024 – April 30, 2025	\$30,343.11

All such Minimum Monthly Rent shall be payable by Tenant in accordance with the terms of the Lease.



B. **Expansion Space From Expansion Effective Date Through Extended Termination Date.** As of the Expansion Effective Date, the schedule of Minimum Monthly Rent payable with respect to the Expansion Space for the balance of the original Term and the Extended Term is the following:

Months of Term or Period	Minimum Monthly Rent
May 1, 2020 – July 31, 2020	\$19,152.54
August 1, 2020 – July 31, 2021	\$19,732.92
August 1, 2021 – July 31, 2022	\$20,347.44
August 1, 2022 – July 31, 2022	\$20,961.96
August 1, 2023 – July 31, 2022	\$21,610.62
August 1, 2024 – April 30, 2025	\$22,225.14

All such Minimum Monthly Rent shall be payable by Tenant in accordance with the terms of the Lease.

So long as Tenant is not in default hereunder beyond applicable notice and cure periods, Landlord shall abate one hundred percent (100%) of Tenant's obligation to pay the Minimum Monthly Rent otherwise payable for the Expansion Space for the first full month following the Expansion Effective Date (collectively, the "Abated Rent"). In the event Landlord elects to terminate the Lease as a result of a default by Tenant under the terms of the Lease, then as a part of Landlord's remedies, Landlord shall be entitled to the recovery of the Abated Rent hereunder; provided, however, Tenant acknowledges and agrees that nothing in this subsection is intended to limit any other remedies available to Landlord at law or in equity under applicable law (including, without limitation, the remedies under Civil Code Section 1951.2 and/or 1951.4 and any successor statutes or similar laws).

Landlord and Tenant acknowledge that the foregoing schedule is based on the assumption that the Expansion Effective Date is the Target Expansion Effective Date. If the Expansion Effective Date is other than the Target Expansion Effective Date, the schedule set forth above with respect to the payment of any installment(s) of Minimum Monthly Rent for the Expansion Space shall be appropriately adjusted on a per diem basis to reflect the actual Expansion Effective Date, and the actual Expansion Effective Date shall be set forth in a confirmation letter to be prepared by Landlord. However, the effective date of any increases or decreases in the Minimum Monthly Rent rate shall not be postponed as a result of an adjustment of the Expansion Effective Date as provided above.

IV. **Additional Security Deposit.** Upon Tenant's execution hereof, Tenant shall pay Landlord the sum of \$24,810.31 which is added to and becomes part of the Security Deposit, if any, held by Landlord as provided under Article 8 of the Lease as security for payment of Rent and the performance of the other terms and conditions of the Lease by Tenant. Accordingly, simultaneous with the execution hereof, the Security Deposit is increased from \$27,757.94 to \$52,568.25.

V. **Tenant's Pro Rata Share.** For the period commencing with the Expansion Effective Date and ending on the Extended Termination Date, Tenant's "Proportionate Share" and "Pro Rata Percent" for the Expansion Space is 8.08%.

VI. **Expenses and Taxes.**

A. **Original Premises for the Extended Term.** Through the Extended Termination Date, Tenant shall remain obligated to pay to Landlord its Proportionate Share applicable to the

Original Premises of any increase (as described in the Lease) in Operating Expenses and/or Taxes, as the case may be, in accordance with the terms of the Lease. The Base Year for Base Year Costs for the Original Premises shall remain the 2018 calendar year for Base Operating Costs and the 2018 calendar year for Base Taxes.

- B. **Expansion Space From Expansion Effective Date Through Extended Termination Date.** For the period commencing with the Expansion Effective Date and ending on the Extended Termination Date, if the Operating Costs and/or Taxes for any Lease Year, calculated on the basis of the greater of (i) actual Operating Costs and Taxes; or (ii) as if the Complex were at least one hundred percent (100%) occupied and operational for the whole of such Lease Year, are more than the applicable Base Year Costs for Base Operating Costs and Base Taxes (with Base Operating Costs and Base Taxes being calculated separately), Tenant shall pay to Landlord its Proportionate Share applicable to the Expansion Space of any such increase in Operating Costs and/or Taxes, as the case may be, as additional rent in accordance with the terms of the Lease, provided, however, during such period, the Base Year for Base Year Costs for the Expansion Space shall be the 2020 calendar year for Base Operating Costs and the 2020 calendar year for Base Taxes.

VII. **Improvements to Expansion Space.**

- A. **Condition of Expansion Space.** Tenant has inspected the Expansion Space and agrees to accept the same "as is" without any agreements, representations, understandings or obligations on the part of Landlord to perform any alterations, repairs or improvements, except as may be expressly provided otherwise in this Amendment.
- B. **Responsibility for Improvements to Expansion Space.** Landlord shall perform Landlord's Work to the Expansion Space on or prior to June 1, 2020. (See Exhibit B – final to scale drawing to be provided to Tenant prior to work being completed.)

VIII. **Early Access to Expansion Space.** During any period that Tenant shall be permitted to enter the Expansion Space prior to the Expansion Effective Date (e.g., to perform alterations or improvements), Tenant shall comply with all terms and provisions of the Lease, except those provisions requiring payment of Minimum Monthly Rent or additional rent as to the Expansion Space.

IX. **Parking.** From and after the Expansion Effective Date, Section 1.17 of the Lease shall be amended by deleting "fifteen (15)" and replacing it with "twenty-six (26)".

X. **Disability Access Disclosure Under Section 1938 of the California Civil Code.** In accordance with Section 1938 of the California Civil Code, Landlord has informed the Tenant that the Expansion Space has not undergone an inspection by a Certified Access Specialist to determine if the Expansion Space meets all applicable construction related accessibility standards pursuant to Section 55.53 of the California Civil Code. Landlord makes the following statement in compliance with the requirements of 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 to correct violations of the construction related accessibility standards within the premises."*

If Tenant desires to obtain such CASp inspection, the CASp party, the scope of the inspection and date such inspection shall be performed shall be subject to the prior written approval of Landlord, which will not be unreasonably withheld. Landlord shall have the right to have a representative present during such inspection. The cost of such inspection shall be paid by Tenant without reimbursement or other payment from Landlord. Any work required to be completed as described in the CASp report shall be performed and paid for by Tenant. Landlord reserves the right to contest the findings in any CASp inspection report obtained by Tenant by having another CASp inspect the Expansion Space.

Any CASp inspection report obtained by or provided to Tenant shall be confidential and Tenant shall not disclose such report or the findings in such report to any other party without the prior written consent of Landlord in its sole discretion, except to the extent disclosure is required to parties on a need to know basis only for Tenant to complete repairs and corrections of violations of construction-related accessibility standard that Tenant agrees to make.

XI. **Miscellaneous.**

- A. This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Under no circumstances shall Tenant be entitled to any Rent abatement, improvement allowance, leasehold improvements, or other work to the Premises, or any similar economic incentives that may have been provided Tenant in connection with entering into the Lease, unless specifically set forth in this Amendment.
- B. Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.
- C. In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control.
- D. Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered the same to Tenant.
- E. The capitalized terms used in this Amendment shall have the same definitions as set forth in the Lease to the extent that such capitalized terms are defined therein and not redefined in this Amendment.
- F. Tenant hereby represents to Landlord that Tenant has dealt with no broker in connection with this Amendment. Tenant agrees to indemnify and hold Landlord, its trustees, members, principals, beneficiaries, partners, officers, directors, employees, mortgagee(s) and agents, and the respective principals and members of any such agents harmless from all claims of any brokers claiming to have represented Tenant in connection with this Amendment. Landlord hereby represents to Tenant that Landlord has dealt with no broker in connection with this Amendment, other than Jones Lang LaSalle ("**Landlord's Broker**"). Landlord shall be responsible to pay Landlord's Broker any commission owed to Landlord's Broker pursuant to the terms and conditions of a written agreement between Landlord and Landlord's Broker. Landlord agrees to indemnify and hold Tenant, its trustees, members, principals, beneficiaries, partners, officers, directors, employees, and agents, and the respective principals and members of any such agents harmless from all claims of any brokers claiming to have represented Landlord in connection with this Amendment.

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

**LANDLORD:**

MPVCA San Mateo LLC,  
a California limited liability company

By: Meridian Property Company, a California corporation  
Its: Manager

By: /s/ Daniel Rosenbaum  
Name: Daniel Rosenbaum  
Title: SVP

By: /s/ John Pollock  
Name: John Pollock  
Title: CEO

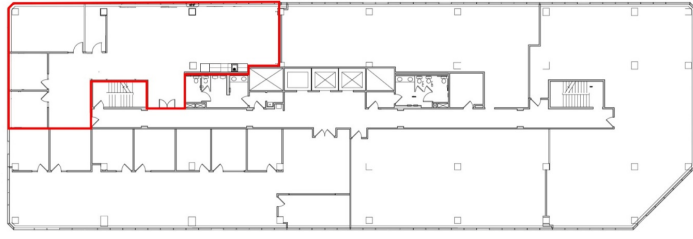
**TENANT:**

KRONOS BIO, INC., a Delaware corporation

By: /s/ Norbert Bischofberger  
Name: NORBERT BISCHOFBERGER  
Title: CEO + PRESIDENT

EXHIBIT A

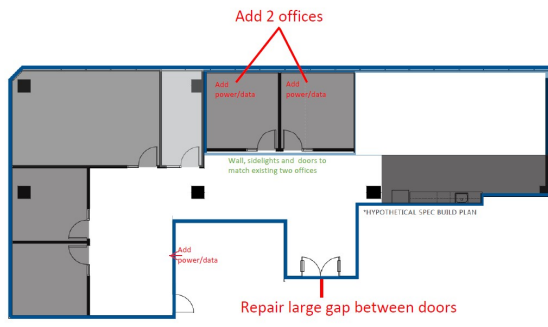
OUTLINE AND LOCATION OF EXPANSION SPACE



**EXHIBIT B**

**LANDLORD'S WORK**

The following is the "Landlord's Work."



LEASE

by and between

BMR-ROGERS STREET LLC,  
a Delaware limited liability company

and

KRONOS BIO, INC.  
a Delaware corporation

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## **LEASE**

THIS LEASE (this "Lease") is entered into as of this 28<sup>th</sup> day of February, 2020 (the "Execution Date"), by and between BMR-ROGERS STREET LLC, a Delaware limited liability company ("Landlord"), and KRONOS BIO, INC., a Delaware corporation ("Tenant").

## **RECITALS**

A. WHEREAS, pursuant to that certain ground lease dated as of March 30, 1999, by and among MBA-Rogers Street, LLC ("Ground Lessor," as successor-in-interest to O&T Realty, LLC, and MBA-Cambridge, LLC (collectively, "Initial Ground Lessor")), as landlord, and Rogers Street, LLC, a Delaware limited liability company ("Initial Ground Lessee"), as tenant; as such ground lease has been amended by that certain letter agreement dated as of July 29, 1999, between Initial Ground Lessor and Initial Ground Lessee, and that certain Agreement Regarding Arbitration and Lease Amendments dated as of December 15, 1999, by and between Initial Ground Lessor and Initial Ground Lessee; and as such ground lease has been assigned pursuant to that certain Assignment and Assumption of Ground Lease dated as of April 4, 2007, by and between Initial Ground Lessee and Landlord (such ground lease, as so amended and assigned, and as the same may be further amended, amended and restated, supplemented or otherwise modified from time to time, the "Ground Lease"), Landlord leases certain real property described on Exhibit A-1 attached hereto (the "Property") and the improvements located thereon, including the buildings at 301 Binney Street (the "Building"), 320 Bent Street and 157 Sixth Street in Cambridge, Massachusetts; and

B. WHEREAS, Landlord wishes to lease to Tenant, and Tenant desires to lease from Landlord, certain premises (the "Premises") located on the second (2<sup>nd</sup>) floor of the Building and certain mezzanine level space on the second (2<sup>nd</sup>) floor and other off-floor areas of the Building, pursuant to the terms and conditions of this Lease, as detailed below.

## **AGREEMENT**

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

### **1. Lease of Premises.**

1.1. Effective on the Term Commencement Date (as defined below), Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises, as shown on Exhibit A attached hereto, including exclusive shafts, cable runs, mechanical spaces and rooftop areas, for use by Tenant in accordance with the Permitted Use (as defined below) and no other uses (except that the Rooftop Installation Area (as defined below) shall not be included in the Rentable Area of the Premises). The Property and all landscaping, parking facilities, private drives and other improvements and appurtenances related thereto, including the Building and other buildings located on the Property are hereinafter collectively referred to as the "Project." All portions of the Building that are for the non-exclusive use of the tenants of the Building only, and not the

tenants of the Project generally, including but not limited to service corridors, stairways, elevators, public restrooms and public lobbies (all to the extent located in the Building), are hereinafter referred to as "Building Common Area." All portions of the Project that are for the non-exclusive use of tenants of the Project generally, including driveways, sidewalks, parking areas, landscaped areas, and service corridors, stairways, and elevators, are hereinafter referred to as "Project Common Area." The Building Common Area and Project Common Area are collectively referred to herein as "Common Area."

2. Basic Lease Provisions. For convenience of the parties, certain basic provisions of this Lease are set forth herein. The provisions set forth herein are subject to the remaining terms and conditions of this Lease and are to be interpreted in light of such remaining terms and conditions.

2.1. This Lease shall take effect upon the Execution Date, and, except as specifically otherwise provided within this Lease, each of the provisions hereof shall be binding upon and inure to the benefit of Landlord and Tenant from the date of execution and delivery hereof by all parties hereto.

2.2. In the definitions below, each current Rentable Area (as defined below) is expressed in rentable square feet. Rentable Area and "Tenant's Pro Rata Share" are both subject to adjustment as provided in this Lease.

<u>Definition or Provision</u>	<u>Means the Following (as of the Execution Date)</u>
Approximate Rentable Area of Premises	40,514 square feet
Approximate Rentable Area of Building	417,290 square feet
Tenant's Pro Rata Share of Building	9.71%

2.3. Monthly and annual installments of Base Rent for the Premises ("Base Rent") as of the Rent Commencement Date (as defined below), subject to adjustment under this Lease:

<u>Dates</u>	<u>Square Feet of Rentable Area</u>	<u>Base Rent per Square Foot of Rentable Area</u>	<u>Monthly Base Rent</u>	<u>Annual Base Rent</u>
Rent Commencement Date – the day immediately prior to the first (1 <sup>st</sup> ) annual	40,514 square feet	\$100.00 annually	\$337,616.67	\$4,051,400.00

anniversary of the Rent Commencement Date				
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2.4. Estimated Term Commencement Date: February 28, 2020

2.5. Estimated Term Expiration Date: February 28, 2031

2.6. Security Deposit: \$2,025,700.02, subject to adjustment in accordance with the terms hereof.

2.7. Permitted Use: General office and laboratory use in conformity with all federal, state, municipal and local laws, codes, ordinances, rules and regulations of Governmental Authorities (as defined below), committees, associations, or other regulatory committees, agencies or governing bodies having jurisdiction over the Premises, the Building, the Property, the Project, Landlord or Tenant, including both statutory and common law and hazardous waste rules and regulations ("Applicable Laws").

2.8. Address for Rent Payment:

BMR-Rogers Street LLC  
 Attention Entity 635  
 P.O. Box 511415  
 Los Angeles, California 90051-7970

2.9. Address for Notices to Landlord:

BMR-Rogers Street LLC  
 17190 Bernardo Center Drive  
 San Diego, California 92128  
 Attn: Legal Department

2.10. Address for Notices to Tenant:

Before and after the Term Commencement Date:

Kronos Bio, Inc  
 21 Erie Street, Suite H  
 Cambridge, Massachusetts 02139  
 Attention: Chris Wilfong, COO

2.11. Address for Invoices to Tenant:

Before and after the Term Commencement Date:

Kronos Bio, Inc.  
301 Binney Street  
Cambridge, Massachusetts 02142  
Attention: Chris Wilfong, COO

2.12. The following Exhibits are attached hereto and incorporated herein by reference:

Exhibit A	Premises
Exhibit A-1	Property
Exhibit A-2	Plan of office/Lab Zones
Exhibit A-3	Demising Items
Exhibit A-4	Remaining Demising Work
Exhibit B	Work Letter
Exhibit B-1	Tenant Work Insurance Schedule
Exhibit C	Acknowledgement of Term Commencement Date and Term Expiration Date
Exhibit D	Form of Letter of Credit
Exhibit E	Rules and Regulations
Exhibit F	PTDM
Exhibit G	Tenant's Personal Property
Exhibit H	Form of Estoppel Certificate
Exhibit I	Definition of Obsolete Equipment

3. Term. The actual term of this Lease (as the same may be extended pursuant to Article 4.2 hereof, and as the same may be earlier terminated in accordance with this Lease, the "Term" shall commence on the actual Term Commencement Date (as defined in Article 4) and end on the date (the "Term Expiration Date") that is the last day of the one hundred thirty-second (132<sup>nd</sup>) complete calendar month after the actual Term Commencement Date, subject to extension or earlier termination of this Lease as provided herein.

4. Possession and Commencement Date.

4.1. The "Term Commencement Date" shall be the date Landlord tenders possession of the Premises to Tenant with the demising items described on Exhibit A-3 attached hereto (collectively, the "Demising Work") substantially complete, subject to punch list items and the provisions of Section 4.6 below, including without limitation, the performance of the Remaining Demising Work (as defined below). Tenant shall execute and deliver to Landlord written acknowledgment of the actual Term Commencement Date and the Term Expiration Date within ten (10) days after Landlord tenders possession, in the form attached as Exhibit C hereto. Failure to execute and deliver such acknowledgment, however, shall not affect the Term Commencement Date or Landlord's or Tenant's liability hereunder. Failure by Tenant to obtain validation by any medical review board or other similar governmental licensing of the Premises required for the Permitted Use by Tenant shall not serve to extend the Term Commencement Date. Landlord shall use commercially reasonable efforts to tender possession of the Premises to

Tenant in the required condition on the Estimated Term Commencement Date. Tenant agrees that in the event Landlord does not tender possession of the Premises to Tenant on or before the Estimated Term Commencement Date for any reason, then (a) this Lease shall not be void or voidable, (b) Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, (c) the Term Expiration Date shall be extended accordingly and (d) Tenant shall not be responsible for the payment of any Base Rent or Tenant's Adjusted Share of Operating Expenses (as defined below) until the actual Term Commencement Date as described in this Section 4.1 occurs.

4.2. Tenant shall cause the work described in the Work Letter attached hereto as Exhibit B (the "Tenant Improvements") to be constructed in the Premises at a cost to Landlord not to exceed Three Million Seven Hundred Eight Thousand Seven Hundred Ten and 00/100 Dollars (\$3,708,710.00) (based upon Ninety Dollars (\$90.00) per square foot of Rentable Area (as defined below) plus an additional Sixty Thousand Dollars (\$60,000.00) for the fan coil demising work to be completed by Tenant pursuant to Exhibit A-4 and Two Thousand Four Hundred Fifty Dollars (\$2,450.00) for certain punch list items related to the Demising Work that have not been completed by the Prior Tenant (as defined below) as of the Term Commencement Date) (the "TI Allowance"). The TI Allowance may be applied to the costs of (m) construction, (n) project review by Landlord (which fee shall equal Landlord's reasonable actual third party out of pocket costs incurred by Landlord in reviewing and managing the Tenant Improvements), (o) commissioning of mechanical, electrical and plumbing systems by a licensed, qualified commissioning agent hired by Tenant, and review of such party's commissioning report by a licensed, qualified commissioning agent hired by Landlord, (p) space planning, architect, engineering and other related services performed by third parties unaffiliated with Tenant, (q) building permits and other taxes, fees, charges and levies by Governmental Authorities (as defined below) for permits or for inspections of the Tenant Improvements, and (r) costs and expenses for labor, material, equipment and fixtures. In no event shall the TI Allowance be used for (v) the cost of work that is not authorized by the Approved Plans (as defined in the Work Letter) or otherwise approved in writing by Landlord, (w) payments to Tenant or any affiliates of Tenant, (x) the purchase of any furniture, personal property or other non-building system equipment, (y) costs arising from any default by Tenant of its obligations under this Lease or (z) costs that are recoverable by Tenant from a third party (e.g., insurers, warrantors, or tortfeasors). In addition, Landlord shall provide an allowance to Tenant to be used solely for architectural and engineering costs related to the preparation of an initial test fit plan for the Tenant Improvements in an amount not to exceed Four Thousand Eight Hundred Sixty One and 68/100 Dollars (\$4,861.68) (based upon Twelve Cents (\$0.12) per square foot of Rentable Area) (the "A/E Allowance").

4.3. Tenant shall have until twelve (12) months after the Term Commencement Date (the "TI Deadline"), to submit Fund Requests (as defined in the Work Letter) to Landlord for disbursement of the unused portion of the TI Allowance and A/E Allowance, after which date Landlord's obligation to fund any such costs for which Tenant has not submitted a Fund Request to Landlord shall expire.

4.4. In no event shall any unused TI Allowance entitle Tenant to a credit against Rent payable under this Lease. Tenant shall deliver to Landlord (a) a certificate of occupancy (or its substantial equivalent) for the Premises suitable for the Permitted Use and (b) a Certificate of Substantial Completion in the form of the American Institute of Architects document G704, executed by the project architect and the general contractor.

4.5. Prior to entering upon the Premises, Tenant shall furnish to Landlord evidence satisfactory to Landlord that insurance coverages required of Tenant under the provisions of Article 23 are in effect, and such entry shall be subject to all the terms and conditions of this Lease other than the payment of Base Rent and Additional Rent (excluding payment of utilities serving the Premises, together with any fees, surcharges and taxes thereon, and the parking fee payable by Tenant in accordance with Section 13.4 hereof).

4.6. Notwithstanding anything to the contrary set forth in herein, Tenant acknowledges that there may be certain punch list items related to the Demising Work that have not been completed by the prior tenant of the Premises (“Prior Tenant”) as of the Term Commencement Date. Tenant agrees to complete such punch list items as part of the Tenant Alterations at its sole cost and expense, subject to the TI Allowance. In addition, notwithstanding anything to the contrary set forth herein, the Tenant acknowledges that certain components of the Demising Work as set forth on Exhibit A-4 attached hereto (collectively, the “Remaining Demising Work”) may not be completed by the Prior Tenant by the Term Commencement Date. Tenant acknowledges that the performance of certain aspects of the Remaining Demising Work have been allocated between Prior Tenant and Tenant as delineated on Exhibit A-4, and Tenant shall perform its portion of the Remaining Demising Work as part of the Tenant Alterations at Tenant’s sole cost and expense, subject to the TI Allowance. Landlord shall use reasonable efforts to cause Prior Tenant to perform its portion of the Remaining Demising Work, which efforts shall not require the filing of any litigation claims. Tenant grants Prior Tenant and its contractors and agents a license to access the Premises from and after the Term Commencement Date solely for the purpose of performing the Remaining Demising Work to the extent such access is necessary therefor.

5. Condition of Premises. Except as expressly set forth herein, Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of the Premises, the Building or the Project, or with respect to the suitability of the Premises, the Building or the Project for the conduct of Tenant’s business. Tenant acknowledges that (a) it will be fully familiar with the condition of the Premises and agrees to take the same in its condition “as is” as of the Term Commencement Date, and (b) Landlord shall have no obligation to alter, repair or otherwise prepare the Premises for Tenant’s occupancy or to pay for or construct any improvements to the Premises, except with respect to payment of the TI Allowance and A/E Allowance. Tenant’s taking of possession of the Premises shall conclusively establish that the Premises, the Building and the Project were at such time in good, sanitary and satisfactory condition and repair.

6. Rentable Area.

6.1. The term "Rentable Area" shall reflect such areas as reasonably calculated by Landlord's architect in a manner consistent with Landlord's determination of Rentable Area for the remainder of the Building and Project, as the same may be reasonably adjusted from time to time by Landlord in consultation with Landlord's architect to reflect changes to the Premises, the Building or the Project, as applicable.

6.2. The Rentable Area of the Building is generally determined by making separate calculations of Rentable Area applicable to each floor within the Building and totaling the Rentable Area of all floors within the Building. The Rentable Area of a floor is computed by measuring to the outside finished surface of the permanent outer Building walls. The full area calculated as previously set forth is included as Rentable Area, without deduction for columns and projections or vertical penetrations, including stairs, elevator shafts, flues, pipe shafts, vertical ducts and the like, as well as such items' enclosing walls.

6.3. The term "Rentable Area," when applied to the Premises, is that area equal to the usable area of the Premises, plus an equitable allocation of Rentable Area within the Building that is not then utilized or expected to be utilized as usable area, including that portion of the Building devoted to corridors, equipment rooms, restrooms, elevator lobby, atrium and mailroom. Review of allocations of Rentable Areas as between tenants of the Building shall be made as frequently as Landlord deems appropriate, including in order to facilitate an equitable apportionment of Operating Expenses (as defined below), but in no event shall the Base Rent be increased solely as a result of any such review or adjustment by Landlord pursuant to this Article 6.

7. Rent.

7.1. Tenant shall pay to Landlord as Base Rent for the Premises, commencing on the date that is seven (7) months after the Term Commencement Date (the "Rent Commencement Date"), the sums set forth in Section 2.3, subject to the rental adjustments provided in Article 8 hereof. Base Rent shall be paid in equal monthly installments as set forth in Section 2.3, subject to the rental adjustments provided in Article 8 hereof, each in advance on the first day of each and every calendar month during the Term.

7.2. In addition to Base Rent, Tenant shall pay to Landlord as additional rent ("Additional Rent") at times hereinafter specified in this Lease (a) Tenant's Adjusted Share (as defined below) of Operating Expenses (as defined below), (b) the Property Management Fee (as defined below), and (c) any other amounts that Tenant assumes or agrees to pay under the provisions of this Lease that are owed to Landlord, including any and all other sums that may become due by reason of any default of Tenant or failure on Tenant's part to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant, after notice and the lapse of any applicable cure periods.

7.3. Base Rent and Additional Rent shall together be denominated "Rent." Rent shall be paid to Landlord, without abatement, deduction or offset, in lawful money of the United



States of America to the address set forth in Section 2.6 or to such other person or at such other place as Landlord may from time designate in writing. In the event the Term commences or ends on a day other than the first day of a calendar month, then the Rent for such fraction of a month shall be prorated for such period on the basis of the number of days in the month and shall be paid at the then-current rate for such fractional month.

7.4. Tenant's obligation to pay Rent shall not be discharged or otherwise affected by (a) any Applicable Laws now or hereafter applicable to the Premises, (b) any other restriction on Tenant's use, (c) except as expressly provided herein, any casualty or taking or (d) except as expressly set forth herein, any other occurrence; and Tenant waives all rights now or hereafter existing to terminate or cancel this Lease or quit or surrender the Premises or any part thereof, or to assert any defense in the nature of constructive eviction to any action seeking to recover rent. Tenant's obligation to pay Rent with respect to any period or obligations arising, existing or pertaining to the period prior to the date of the expiration or earlier termination of the Term or this Lease shall survive any such expiration or earlier termination; provided, however, that nothing in this sentence shall in any way affect Tenant's obligations with respect to any other period.

8. Rent Adjustments; Free Rent Period.

8.1 Base Rent shall be subject to an annual upward adjustment of three percent (3.0%) of the then-current Base Rent. The first such adjustment shall become effective commencing on the first (1<sup>st</sup>) annual anniversary of the Rent Commencement Date, and subsequent adjustments shall become effective on every successive annual anniversary for so long as the initial Term of this Lease continues in effect. The amount of Base Rent during any extension period shall be governed by Article 42 hereof.

8.2 Notwithstanding anything to the contrary contained in this Lease, Tenant shall not be required to pay Base Rent for the period prior to the Rent Commencement Date (such period, the "Free Rent Period").

Except (a) for the project review fee described in Section 4.2 above, and (b) for the parking fees described in Section 13.5 below, and (c) as otherwise set forth in Section 9.2 below, Tenant shall not be responsible for the payment of Tenant's other Rent obligations under this Lease, including Operating Expenses or the Property Management Fee for the Premises during the Free Rent Period.

9. Operating Expenses.

9.1. As used herein, the term "Operating Expenses" shall include:

(a) Government impositions, including property tax costs consisting of real and personal property taxes (including amounts due under any improvement bond upon the Building or, if such taxes are assessed in conjunction with the Building's taxes the Project (including the parcel or parcels of real property upon which the Building, the other buildings in the Project and areas serving the Building and the Project are located) or assessments in lieu

thereof imposed by any federal, state, regional, local or municipal governmental authority, agency or subdivision (each, a “Governmental Authority”); taxes on or measured by gross rentals received from the rental of space in the Project; taxes based on the square footage of the Premises, the Building or the Project, as well as any parking charges, utilities surcharges or any other costs levied, assessed or imposed by, or at the direction of, or arising from Applicable Laws or interpretations thereof, promulgated by any Governmental Authority in connection with the use or occupancy of the Project or the parking facilities serving the Project, including without limitation the Parking Garage; taxes on this transaction or any document to which Tenant is a party creating or transferring an interest in the Premises; any fee for a business license to operate an office building; and any expenses, including the reasonable cost of attorneys or experts, reasonably incurred by Landlord in seeking reduction by the taxing authority of the applicable taxes, less tax refunds obtained as a result of an application for review thereof; and

(b) All other costs of any kind paid or incurred by Landlord in connection with the operation or maintenance of the Building and the Project, which shall include Project office rent at fair market rental for a commercially reasonable amount of space for Project management personnel, to the extent an office used for Project operations is maintained at the Project, plus customary expenses for such office, and costs of repairs and replacements to improvements within the Project as appropriate to maintain the Project as required hereunder, including costs of funding such reasonable reserves as Landlord, consistent with good business practice, may establish to provide for future repairs and replacements; costs of utilities furnished to the Common Area; costs associated with the operation of food trucks for the benefit of employees of tenants, including Tenant, at the Project; sewer fees; cable television; trash collection; cleaning, including windows; heating, ventilation and air-conditioning (“HVAC”); maintenance of landscaping and grounds; snow removal; maintenance of drives and parking areas, including without limitation the Parking Garage; maintenance of the roof; security services and devices; building supplies; maintenance or replacement of equipment utilized for operation and maintenance of the Project; license, permit and inspection fees; sales, use and excise taxes on goods and services purchased by Landlord in connection with the operation, maintenance or repair of the Building or Project systems and equipment; telephone, postage, stationery supplies and other expenses incurred in connection with the operation, maintenance or repair of the Project; accounting, legal and other professional fees and expenses incurred in connection with the Project; costs of furniture, draperies, carpeting, landscaping supplies, snow removal and other customary and ordinary items of personal property provided by Landlord for use in Common Areas or in the Project office; capital expenditures incurred (i) in replacing obsolete equipment, as such term is defined on Exhibit I attached hereto, (ii) for the primary purpose of reducing Operating Expenses or (iii) required by any Governmental Authority to comply with changes in Applicable Laws that take effect after the Execution Date or to ensure continued compliance with Applicable Laws in effect as of the Execution Date, in each case amortized over the useful life thereof, as reasonably determined by Landlord, in accordance with generally accepted accounting principles, but in no event longer than ten (10) years; costs of complying with Applicable Laws (except to the extent such costs are incurred to remedy non-compliance as of the Execution Date with Applicable Laws); costs to keep the Project in compliance with, or costs or fees otherwise required under or incurred pursuant to any CC&Rs or Property Operations Documents (as defined below), including condominium fees; insurance premiums, including

premiums for commercial general liability, property casualty, earthquake, terrorism and environmental coverages; portions of insured losses paid by Landlord as part of the deductible portion of a loss pursuant to the terms of insurance policies for the Building or the Parking Garage; service contracts; costs of services of independent contractors retained to do work of a nature referenced above; and costs of compensation (including employment taxes and fringe benefits) of all persons who perform regular and recurring duties connected with the day-to-day operation and maintenance of the Project, its equipment, the adjacent walks, landscaped areas, drives and parking areas, including janitors, floor waxers, window washers, watchmen, gardeners, sweepers, plow truck drivers, handymen, and engineering/maintenance personnel.

(c) Notwithstanding the foregoing, Operating Expenses shall not include any net income, franchise, capital stock, estate or inheritance taxes, or taxes that are the personal obligation of Tenant or of another tenant of the Project; any leasing commissions; expenses that relate to preparation of rental space for a tenant; advertising and promotional expenditures directly related to Landlord's efforts to lease space in the Building or the Project; expenses of initial development and construction, including grading, paving, landscaping and decorating (as distinguished from maintenance, repair and replacement of the foregoing); costs of constructing new buildings within the Project; legal expenses relating to other tenants; legal and accounting fees not incurred in connection with operation and management of the Building (including any legal and other costs incurred in connection with the sale, financing, refinancing, syndication, securitization, or change of ownership of the Building, including, without limitation, brokerage commissions, attorneys' and accountants' fees, closing costs, title insurance premiums, points, and interest charges); costs of repairs to the extent reimbursed by payment of insurance proceeds received by Landlord or to the extent reimbursed by warranties or guarantees or reimbursed pursuant to service contracts; costs incurred directly and solely as a result of Landlord's gross negligence or willful misconduct; principal and interest upon loans to Landlord or secured by a loan agreement, mortgage, deed of trust, security instrument or other loan document covering the Project or a portion thereof (collectively, "Loan Documents") (provided that interest upon a government assessment or improvement bond payable in installments shall constitute an Operating Expense under Subsection 9.1(a)); salaries of executive officers of Landlord, or of Landlord's personnel above the level of regional director; depreciation claimed by Landlord for tax purposes (provided that this exclusion of depreciation is not intended to delete from Operating Expenses actual costs of repairs and replacements and reasonable reserves in regard thereto that are provided for in Subsection 9.1(b)); taxes that are excluded from Operating Expenses by the last sentence of Subsection 9.1(a); costs or expenses incurred in connection with the financing or sale of the Project or any portion thereof; political or charitable contributions; costs expressly excluded from Operating Expenses elsewhere in this Lease or that are charged to or paid by Tenant under other provisions of this Lease; professional fees and disbursements and other costs and expenses related to the ownership (as opposed to the use, occupancy, operation, maintenance or repair) of the Project; and any item that, if included in Operating Expenses, would involve a double collection for such item by Landlord, such as ordinary maintenance and repair costs for the Parking Garage to the extent included in the parking fee payable by Tenant in accordance with Section 13.4 hereof. To the extent that Tenant uses more than Tenant's Pro Rata Share of any item of Operating Expenses, Tenant shall pay Landlord for such excess in

addition to Tenant's obligation to pay Tenant's Pro Rata Share of Operating Expenses (such excess, together with Tenant's Pro Rata Share, "Tenant's Adjusted Share").

9.2. Beginning on the earlier of: (a) the date on which Tenant occupies the Premises for the Permitted Use or (b) the Rent Commencement Date (such earlier date, the "OpEx Commencement Date"), Tenant shall pay to Landlord on the first day of each calendar month of the Term, as Additional Rent, (a) the Property Management Fee (as defined below), and (b) Landlord's estimate of Tenant's Adjusted Share of Operating Expenses with respect to the Building and the Project, as applicable, for such month.

(x) The "Property Management Fee" shall equal three percent (3%) of Base Rent due from Tenant. Tenant shall pay the Property Management Fee in accordance with Section 9.2 with respect to the entire Term (except as otherwise set forth in the immediately foregoing paragraph), including any extensions of the Term or any holdover periods, regardless of whether Tenant is obligated to pay Base Rent, Operating Expenses or any other Rent with respect to any such period or portion thereof. If the OpEx Commencement Date occurs prior to the Rent Commencement Date, the Property Management Fee shall be calculated as if Tenant were paying Base Rent in the full amount required pursuant to this Lease had the Free Rent Period not been in effect.

(y) Within ninety (90) days after the conclusion of each calendar year (or such longer period as may be reasonably required by Landlord), Landlord shall furnish to Tenant a statement showing in reasonable detail the actual Operating Expenses, Tenant's Adjusted Share of Operating Expenses, and the cost of providing utilities to the Premises for the previous calendar year ("Landlord's Statement"). Any additional sum due from Tenant to Landlord shall be due and payable within thirty (30) days after receipt of an invoice therefor. If the amounts paid by Tenant pursuant to this Section exceed Tenant's Adjusted Share of Operating Expenses for the previous calendar year, then Landlord shall credit the difference against the Rent next due and owing from Tenant; provided that, if the Lease term has expired, Landlord shall accompany Landlord's Statement with payment for the amount of such difference.

(z) Any amount due under this Section for any period that is less than a full month shall be prorated for such fractional month on the basis of the number of days in the month.

9.3. Landlord may, from time to time, modify Landlord's calculation and allocation procedures for Operating Expenses, so long as such modifications produce Dollar results substantially consistent with Landlord's then-current practice at the Project. Landlord or an affiliate(s) of Landlord currently own other property(ies) adjacent to the Project or its neighboring properties (collectively, "Neighboring Properties"). In connection with Landlord performing services for the Project pursuant to this Lease, similar services may be performed by the same vendor(s) for Neighboring Properties (for example, shuttle services, food truck services or landscape maintenance). In such a case, Landlord shall reasonably allocate to each Building and the Project the costs for such services based upon the ratio that the square footage of the Building or the Project (as applicable) bears to the total square footage of all of the Neighboring Properties or buildings within the Neighboring Properties for which the services are performed,

unless the scope of the services performed for any building or property (including the Building and the Project) is disproportionately more or less than for others, in which case Landlord shall equitably allocate the costs based on the scope of the services being performed for each building or property (including the Building and the Project). Since the Project consists of multiple buildings, certain Operating Expenses may pertain to a particular building(s) and other Operating Expenses to the Project as a whole. Landlord reserves the right in its sole discretion to allocate any such costs applicable to any particular building within the Project to such building, and other such costs applicable to the Project to each building in the Project (including the Building), with the tenants in each building being responsible for paying their respective proportionate shares of their buildings to the extent required under their leases. Landlord shall equitably allocate such costs to the buildings (including the Building) in a reasonable, non-discriminatory manner, and such allocation shall be binding on Tenant.

9.4. Landlord's annual statement shall be final and binding upon Tenant unless Tenant, within sixty (60) days after Tenant's receipt thereof, shall contest any item therein by giving written notice to Landlord, specifying each item contested and the reasons therefor; provided that Tenant shall in all events pay the amount specified in Landlord's annual statement, pending the results of the Independent Review and determination of the Accountant(s), as applicable and as each such term is defined below. If, during such sixty (60)-day period, Tenant reasonably and in good faith questions or contests the correctness of Landlord's statement of Tenant's Adjusted Share of Operating Expenses, Landlord shall provide Tenant with reasonable access to Landlord's books and records to the extent relevant to determination of Operating Expenses, and such information as Landlord reasonably determines to be responsive to Tenant's written inquiries. In the event that, after Tenant's review of such information, Landlord and Tenant cannot agree upon the amount of Tenant's Adjusted Share of Operating Expenses, then Tenant shall have the right to have an independent public accounting firm hired by Tenant on an hourly basis and not on a contingent-fee basis (at Tenant's sole cost and expense) and approved by Landlord (which approval Landlord shall not unreasonably withhold or delay) audit and review such of Landlord's books and records for the year in question as directly relate to the determination of Operating Expenses for such year (the "Independent Review"), but not books and records of entities other than Landlord unless such other entities share costs with Landlord, in which event Landlord shall only be obligated to make available the books and records of such other entity to the extent related to the shared costs. Landlord shall make such books and records available at the location where Landlord maintains them in the ordinary course of its business. Landlord need not provide copies of any books or records. Tenant shall commence the Independent Review within thirty (30) days after the date Landlord has given Tenant access to Landlord's books and records for the Independent Review. Tenant shall complete the Independent Review and notify Landlord in writing of Tenant's specific objections to Landlord's calculation of Operating Expenses (including Tenant's accounting firm's written statement of the basis, nature and amount of each proposed adjustment) no later than sixty (60) days after Landlord has first given Tenant access to Landlord's books and records for the Independent Review. Landlord shall review the results of any such Independent Review. The parties shall endeavor to agree promptly and reasonably upon Operating Expenses taking into account the results of such Independent Review. If, as of the date that is sixty (60) days after Tenant has submitted the Independent Review to Landlord, the parties have not agreed on the appropriate

adjustments to Operating Expenses, then the parties shall engage a mutually agreeable independent third party accountant with at least ten (10) years' experience in commercial real estate accounting in the Cambridge, Massachusetts area (the "Accountant"). If the parties cannot agree on the Accountant, each shall within twenty (20) days after such impasse appoint an Accountant (different from the accountant and accounting firm that conducted the Independent Review) and, within twenty (20) days after the appointment of both such Accountants, those two Accountants shall select a third (which cannot be the accountant and accounting firm that conducted the Independent Review). If either party fails to timely appoint an Accountant, then the Accountant the other party appoints shall be the sole Accountant. Within ten (10) days after appointment of the Accountant(s), Landlord and Tenant shall each simultaneously give the Accountants (with a copy to the other party) its determination of Operating Expenses, with such supporting data or information as each submitting party determines appropriate. Within ten (10) days after such submissions, the Accountants shall by majority vote select either Landlord's or Tenant's determination of Operating Expenses. The Accountants may not select or designate any other determination of Operating Expenses. The determination of the Accountant(s) shall bind the parties. If the parties agree or the Accountant(s) determine that the Operating Expenses actually paid by Tenant for the calendar year in question exceeded Tenant's obligations for such calendar year, then Landlord shall, at Tenant's option, either (a) credit the excess to the next succeeding installments of estimated Additional Rent or (b) pay the excess to Tenant within thirty (30) days after delivery of such results. If the parties agree or the Accountant(s) determine that Tenant's payments of Operating Expenses for such calendar year were less than Tenant's obligation for the calendar year, then Tenant shall pay the deficiency to Landlord within thirty (30) days after delivery of such results. If the Independent Review reveals or the Accountant(s) determine that the Operating Expenses billed to Tenant by Landlord and paid by Tenant to Landlord for the applicable calendar year in question exceeded by more than five percent (5%) what Tenant should have been billed during such calendar year, then Landlord shall pay the reasonable cost of the Independent Review. In all other cases Tenant shall pay the cost of the Independent Review and the Accountant(s).

9.5. Landlord may annualize certain Operating Expenses incurred prior to the OpEx Commencement Date over the course of the budgeted year during which the OpEx Commencement Date occurs, and Tenant shall be responsible for the annualized portion of such Operating Expenses corresponding to the number of days during such year, commencing with the OpEx Commencement Date, for which Tenant is otherwise liable for Operating Expenses pursuant to this Lease. Tenant's responsibility for Tenant's Adjusted Share of Operating Expenses shall continue to the latest of (a) the date of termination of the Lease, (b) the date Tenant has fully vacated the Premises and (c) if termination of the Lease is due to a default by Tenant, the date of rental commencement of a replacement tenant.

9.6. Operating Expenses for the calendar year in which Tenant's obligation to share therein commences and for the calendar year in which such obligation ceases shall be prorated on a basis reasonably determined by Landlord. Expenses such as taxes, assessments and insurance premiums that are incurred for an extended time period shall be prorated based upon the time periods to which they apply so that the amounts attributed to the Premises relate in a

reasonable manner to the time period wherein Tenant has an obligation to share in Operating Expenses.

9.7. Within thirty (30) days after the end of each calendar month, Tenant shall submit to Landlord an invoice, or, in the event an invoice is not available, an itemized list, of all costs and expenses that (a) Tenant has incurred (either internally or by employing third parties) during the prior month and (b) for which Tenant reasonably believes it is entitled to reimbursements from Landlord pursuant to the terms of this Lease or the Work Letter.

9.8. In the event that the Building or Project is less than fully occupied during a calendar year, Tenant acknowledges that Landlord may extrapolate Operating Expenses that vary depending on the occupancy of the Building or Project, as applicable, to equal Landlord's reasonable estimate of what such Operating Expenses would have been had the Building or Project, as applicable, been ninety-five percent (95%) occupied during such calendar year; provided, however, that Landlord shall not recover more than one hundred percent (100%) of Operating Expenses.

10. Taxes on Tenant's Property.

10.1. Tenant shall be solely responsible for the payment of any and all taxes levied upon (a) personal property and trade fixtures located at the Premises and (b) any gross or net receipts of or sales by Tenant, and shall pay the same at least twenty (20) days prior to delinquency.

10.2. If any such taxes on Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property or, if the assessed valuation of the Building, the Property or the Project is increased by inclusion therein of a value attributable to Tenant's personal property or trade fixtures, and if Landlord, after written notice to Tenant, pays the taxes based upon any such increase in the assessed value of the Building, the Property or the Project, then Tenant shall, upon demand, repay to Landlord the taxes so paid by Landlord.

10.3. If any 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, are assessed for real property tax purposes at a valuation higher than the valuation at which improvements conforming to Landlord's building standards (the "Building Standard") in other spaces in the Building are assessed, then the real property taxes and assessments levied against Landlord or the Building, the Property or the Project by reason of such excess assessed valuation shall be deemed to be taxes levied against personal property of Tenant and shall be governed by the provisions of Section 10.2. Any such excess assessed valuation due to improvements in or alterations to space in the Project leased by other tenants at the Project shall not be included in Operating Expenses. If the records of the applicable governmental assessor's office are available and sufficiently detailed to serve as a basis for determining whether such Tenant improvements or alterations are assessed at a higher valuation than the Building Standard, then such records shall be binding on both Landlord and Tenant.

11. Security Deposit.

11.1. Tenant shall deposit with Landlord within five (5) business days of the Execution Date the sum set forth in Section 2.6 (the "Security Deposit"), which sum shall be held by Landlord as security for the faithful performance by Tenant of all of the terms, covenants and conditions of this Lease to be kept and performed by Tenant. If Tenant Defaults (as defined below) with respect to any provision of this Lease, including any provision relating to the payment of Rent, then Landlord may (but shall not be required to) use, apply or retain all or any part of the Security Deposit for the payment of any Rent or any other sum in default, or to compensate Landlord for any other loss or damage that Landlord may suffer by reason of Tenant's default. If any portion of the Security Deposit is so used or applied, then Tenant shall, within ten (10) days following demand therefor, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount, and Tenant's failure to do so shall be a material breach of this Lease. The provisions of this Article shall survive the expiration or earlier termination of this Lease.

11.2. In the event of 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 all periods prior to the filing of such proceedings.

11.3. Landlord may deliver to any purchaser of Landlord's interest in the Premises the funds deposited hereunder by Tenant, and thereupon Landlord shall be discharged from any further liability with respect to such deposit. This provision shall also apply to any subsequent transfers.

11.4. If Tenant is not in default at the end of sixty (60) days after the expiration or earlier termination of this Lease (of which Tenant has received written notice and an opportunity to cure), then the Security Deposit, or any balance thereof, shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within sixty (60) days after the expiration or earlier termination of this Lease.

11.5. If the Security Deposit shall be in cash, Landlord shall hold the Security Deposit in an account at a banking organization selected by Landlord; provided, however, that Landlord shall not be required to maintain a separate account for the Security Deposit, but may intermingle it with other funds of Landlord. Landlord shall be entitled to all interest and/or dividends, if any, accruing on the Security Deposit. Landlord shall not be required to credit Tenant with any interest for any period during which Landlord does not receive interest on the Security Deposit.

11.6. The Security Deposit may be in the form of cash, a letter of credit or any other security instrument acceptable to Landlord in its reasonable discretion. Tenant may at any time, except when Tenant is in Default (as defined below), deliver a letter of credit (the "L/C Security") as the entire Security Deposit, as follows:

(a) If Tenant elects to deliver L/C Security, then Tenant shall provide Landlord, and maintain in full force and effect throughout the Term and until the date that is ninety (90) days after the then-current Term Expiration Date, a letter of credit in the form of



Exhibit D issued by an issuer reasonably satisfactory to Landlord, in the amount of the Security Deposit, with an initial term of at least one year. Landlord may require the L/C Security to be re-issued by a different issuer at any time during the Term if Landlord reasonably believes that the issuing bank of the L/C Security is or may soon become insolvent; provided, however, Landlord shall return the existing L/C Security to the existing issuer immediately upon receipt of the substitute L/C Security. If any issuer of the L/C Security shall become insolvent or placed into FDIC receivership, then Tenant shall immediately deliver to Landlord (without the requirement of notice from Landlord) substitute L/C Security issued by an issuer reasonably satisfactory to Landlord, and otherwise conforming to the requirements set forth in this Article. As used herein with respect to the issuer of the L/C Security, "insolvent" shall mean the determination of insolvency as made by such issuer's primary bank regulator (*i.e.*, the state bank supervisor for state chartered banks; the OCC or OTS, respectively, for federally chartered banks or thrifts; or the Federal Reserve for its member banks). If, at the Term Expiration Date, any Rent remains uncalculated or unpaid, then (i) Landlord shall with reasonable diligence complete any necessary calculations, (ii) Tenant shall extend the expiry date of such L/C Security from time to time as Landlord reasonably requires and (iii) in such extended period, Landlord shall not unreasonably refuse to consent to an appropriate reduction of the L/C Security. Tenant shall reimburse Landlord's legal costs (as estimated by Landlord's counsel) in handling Landlord's acceptance of L/C Security or its replacement or extension.

(b) If Tenant delivers to Landlord satisfactory L/C Security in place of the entire Security Deposit, Landlord shall remit to Tenant any cash Security Deposit Landlord previously held.

(c) Landlord may draw upon the L/C Security, and hold and apply the proceeds in the same manner and for the same purposes as the Security Deposit, if (i) an uncured Default (as defined below) exists, (ii) as of the date thirty (30) days before any L/C Security expires (even if such scheduled expiry date is after the Term Expiration Date) Tenant has not delivered to Landlord an amendment or replacement for such L/C Security, reasonably satisfactory to Landlord, extending the expiry date to the earlier of (1) ninety (90) days after the then-current Term Expiration Date or (2) the date one year after the then-current expiry date of the L/C Security, (iii) the L/C Security provides for automatic renewals, Landlord asks the issuer to confirm the current L/C Security expiry date, and the issuer fails to do so within ten (10) business days, (iv) Tenant fails to pay (when and as Landlord reasonably requires) any bank charges for Landlord's transfer of the L/C Security or (v) the issuer of the L/C Security ceases, or announces that it will cease, to maintain an office in the city where Landlord may present drafts under the L/C Security (and fails to permit drawing upon the L/C Security by overnight courier or facsimile). This Section does not limit any other provisions of this Lease allowing Landlord to draw the L/C Security under specified circumstances.

(d) Tenant shall not seek to enjoin, prevent, or otherwise interfere with Landlord's draw under L/C Security, even if it violates this Lease. Tenant acknowledges that the only effect of a wrongful draw would be to substitute a cash Security Deposit for L/C Security, causing Tenant no legally recognizable damage. Landlord shall hold the proceeds of any draw in the same manner and for the same purposes as a cash Security Deposit. In the event of a

wrongful draw, (a) the parties shall cooperate to allow Tenant to post replacement L/C Security simultaneously with the return to Tenant of the wrongfully drawn sums, (b) Landlord shall upon request confirm in writing to the issuer of the L/C Security that Landlord's draw was erroneous, and (c) if Tenant receives a final determination from a court of competent jurisdiction that is not subject to appeal that Landlord has made a "wrongful" draw, (i) Landlord shall pay Tenant interest upon the amount of such wrongful draw at the rate of six percent (6%) and (ii) Tenant shall be entitled to recover its reasonable attorney's fees in accordance with Section 40.7. For purposes of the immediately foregoing sentence, the term "wrongful" shall mean that Landlord had no reasonable basis to believe that it had the right to make the draw.

(e) If Landlord transfers its interest in the Premises, then Tenant shall at Tenant's expense, within five (5) business days after receiving a request from Landlord, deliver (and, if the issuer requires, Landlord shall consent to) an amendment to the L/C Security naming Landlord's grantee as substitute beneficiary. If the required Security Deposit changes while L/C Security is in force, then Tenant shall deliver (and, if the issuer requires, Landlord shall consent to) a corresponding amendment to the L/C Security.

11.7. If, as of the third (3<sup>rd</sup>) anniversary of Rent Commencement Date, Tenant (a) has raised a minimum of Sixty Million Dollars (\$60,000,000) in Series B funding, (b) provides evidence reasonably satisfactory to Landlord that it has sufficient monetary assets to operate for a minimum of two (2) years, and (c) is not then in Default under this Lease (collectively, the "SD Reduction Obligations"), then Tenant, no later than forty-five (45) days after the third (3<sup>rd</sup>) anniversary of the Rent Commencement Date, may notify Landlord in writing that it wishes to decrease the Security Deposit to an amount equal to four (4) months of the Base Rent as of the Rent Commencement Date (the "Reduced Security Deposit"). Within ten (10) business days following Landlord's receipt of such notice, Landlord shall (y) confirm in writing that the SD Reduction Obligations have been satisfied and that the Security Deposit shall be deemed to equal the Reduced Security Deposit, or (z) provide Tenant with satisfactory written evidence that such SD Reduction Obligations have not been satisfied. Upon Landlord's confirmation that the SD Reduction Obligations have been satisfied, (i) if the Security Deposit is in the form of cash, Landlord shall return to Tenant the excess amount within ten (10) business days following its approval of such certification, or (ii) if the Security Deposit is in the form of the L/C Security, the Tenant may provide to Landlord, and Landlord shall accept, a replacement L/C Security in the amount of the Reduced Security Deposit.

## 12. Use.

12.1. Tenant shall use the Premises for the Permitted Use, and shall not use the Premises, or permit or suffer the Premises to be used, for any other purpose without Landlord's prior written consent, which consent Landlord may withhold in its sole and absolute discretion.

12.2. Tenant shall not use or occupy the Premises in violation of Applicable Laws; zoning ordinances; or the certificate of occupancy (or its substantial equivalent) issued for the Building or the Project, and shall, upon five (5) days' written notice from Landlord, discontinue any use of the Premises that is declared or claimed by any Governmental Authority having jurisdiction to be a violation of any of the above, or that in Landlord's reasonable opinion

violates any of the above. Tenant shall comply with any direction of any Governmental Authority having jurisdiction that shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or with respect to the use or occupation thereof, and shall indemnify, defend (at the option of and with counsel reasonably acceptable to the indemnified party(ies)), save, reimburse and hold harmless (collectively, "Indemnify," "Indemnity" or "Indemnification," as the case may require) Landlord and its affiliates, employees, agents and contractors; and any lender, mortgagee, ground lessor or beneficiary (each, a "Lender" and, collectively with Landlord and its affiliates, employees, agents and contractors, the "Landlord Indemnitees") harmless from and against any and all demands, claims, liabilities, losses, costs, expenses, actions, causes of action, damages, suits or judgments, and all reasonable expenses (including reasonable attorneys' fees, charges and disbursements, regardless of whether the applicable demand, claim, action, cause of action or suit is voluntarily withdrawn or dismissed) incurred in investigating or resisting the same (collectively, "Claims") of any kind or nature that arise before, during or after the Term as a result of Tenant's breach of this Section. Notwithstanding anything to the contrary set forth in this Lease, Tenant shall not be responsible for compliance with Applicable Laws with respect to any work performed in the Premises or Building (other than the Premises) by or at the direction of anyone other than a Tenant Party.

12.3. Tenant shall not do or permit to be done anything that will invalidate or increase the cost of any fire, environmental, extended coverage or any other insurance policy covering the Building or the Project, and shall comply with all rules, orders, regulations and requirements of the insurers of the Building and the Project, and Tenant shall promptly, upon demand, reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Article.

12.4. Tenant shall keep all doors opening onto public corridors closed, except when in use for ingress and egress.

12.5. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made to existing locks or the mechanisms thereof without Landlord's prior written consent, which shall not be unreasonably withheld. Tenant shall, upon termination of this Lease, return to Landlord all keys to offices and restrooms either furnished to or otherwise procured by Tenant. In the event any key so furnished to Tenant is lost, Tenant shall pay to Landlord the cost of replacing the same or of changing the lock or locks opened by such lost key if Landlord shall deem it necessary to make such change. Tenant shall provide to Landlord copies of keys or access cards to the Premises and all areas therein.

12.6. No awnings or other projections shall be attached to any outside wall of the Building. 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's standard window coverings. Neither the interior nor exterior of any windows shall be coated or otherwise sunscreened without Landlord's prior written consent, nor shall any bottles, parcels or other articles be placed on the windowsills or items attached to windows that are visible from outside

the Premises. No equipment, furniture or other items of personal property shall be placed on any exterior balcony without Landlord's prior written consent.

12.7. No sign, advertisement or notice ("Signage") shall be exhibited, painted or affixed by Tenant on any part of the Premises or the Building without Landlord's prior written consent. Signage shall conform to Landlord's design criteria. For any Signage, Tenant shall, at Tenant's own cost and expense, (a) acquire all permits for such Signage in compliance with Applicable Laws and (b) design, fabricate, install and maintain such Signage in a first-class condition. Tenant shall be responsible for reimbursing Landlord for costs actually incurred by Landlord in removing any of Tenant's Signage upon the expiration or earlier termination of the Lease. Interior signs on entry doors to the Premises and the directory tablet shall be inscribed, painted or affixed for Tenant by Landlord at Landlord's sole cost and expense, and shall be of a size, color and type and be located in a place reasonably acceptable to Landlord. The directory tablet shall be provided exclusively for the display of the name and location of tenants only. Tenant shall not place anything on the exterior of the corridor walls or corridor doors other than Landlord's standard lettering. At Landlord's option, Landlord may install any Tenant Signage, and Tenant shall pay all costs associated with such installation within thirty (30) days after demand therefor.

12.8. Tenant may only place equipment within the Premises with floor loading consistent with the Building's structural design unless Tenant obtains Landlord's prior written approval. Tenant may place such equipment only in a location designed to carry the weight of such equipment.

12.9. Tenant shall cause any equipment or machinery to be installed in the Premises so as to reasonably prevent sounds or vibrations therefrom from extending into the Common Area or other offices in the Project.

12.10. Tenant shall not (a) do or permit anything to be done in or about the Premises that shall in any way obstruct or interfere with the rights of other tenants or occupants of the Project, or injure them, (b) use or allow the Premises to be used for unlawful purposes, (c) cause, maintain or permit any nuisance or waste in, on or about the Project or (d) take any other action that would in Landlord's reasonable determination in any manner adversely affect other tenants' quiet use and enjoyment of their space or adversely impact their ability to conduct business in a professional and suitable work environment.

12.11. Landlord hereby represents to Tenant that, as of the Execution Date, the non-mechanical Common Areas are in compliance with the ADA (as defined in this Section 12.11). In the event of a breach of the foregoing representation, Landlord shall, as Tenant's sole and exclusive remedy in connection with such breach, cause the portion(s) of the Common Areas that were not in compliance with the ADA as of the Execution Date to be compliant with the requirements of the ADA in effect as of the Execution Date. Notwithstanding any other provision herein to the contrary (but subject to the first two (2) grammatical sentences of this Section 12.11), Tenant shall be responsible for all liabilities, costs and expenses arising out of or in connection with the compliance of the Premises with the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq., and any state and local accessibility laws, codes, ordinances and rules (collectively, and together with regulations promulgated pursuant thereto, the "ADA"), and

Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against Claims arising out of any such failure of the Premises to comply with Tenant's obligations with respect to the ADA under this Section. This Section (as well as any other provisions of this Lease dealing with indemnification of the Landlord Indemnitees by Tenant) shall be deemed to be modified in each case by the insertion in the appropriate place of the following: "except as otherwise provided in Mass. G.L. Ter. Ed., C. 186, Section 15." For the avoidance of doubt, "Lenders" shall also include historic tax credit investors and new market tax credit investors (but only to the extent applicable). The provisions of this Section shall survive the expiration or earlier termination of this Lease.

12.12. Tenant shall maintain temperature and humidity in the Premises in accordance with ASHRAE standards at all times (subject to Landlord's compliance with its obligations with respect to base Building HVAC systems under this Lease).

12.13. Tenant shall establish and maintain a chemical safety program administered by a licensed, qualified individual in accordance with the requirements of the Massachusetts Water Resources Authority ("MWRA") and any other applicable Governmental Authority. Tenant shall be solely responsible for all costs incurred in connection with such chemical safety program, and Tenant shall provide Landlord with such documentation as Landlord may reasonably require evidencing Tenant's compliance with the requirements of (a) the MWRA and any other applicable Governmental Authority with respect to such chemical safety program and (b) this Section. Tenant shall obtain and maintain during the Term (m) any permit required by the MWRA ("MWRA Permit") and (n) a wastewater treatment operator license from the Commonwealth of Massachusetts with respect to Tenant's use of the Acid Neutralization Tank (as defined below) in the Building. Tenant shall not introduce anything into the Acid Neutralization Tank (x) in violation of the terms of the MWRA Permit, (y) in violation of Applicable Laws or (z) that would interfere with the proper functioning of the Acid Neutralization Tank. Landlord agrees to reasonably cooperate with Tenant in order to obtain the MWRA Permit and the wastewater treatment operator license.

13. Rules and Regulations, CC&Rs, Parking Facilities and Common Area.

13.1. Tenant shall have the non-exclusive right, in common with others, to use the Common Area in conjunction with Tenant's use of the Premises for the Permitted Use, and such use of the Common Area and Tenant's use of the Premises shall be subject to the rules and regulations adopted by Landlord and attached hereto as Exhibit E together with such other reasonable and nondiscriminatory rules and regulations as are hereafter promulgated by Landlord in its sole and absolute discretion (the "Rules and Regulations"). Tenant shall and shall ensure that its contractors, subcontractors, employees, subtenants and invitees faithfully observe and comply with the Rules and Regulations. Landlord shall not be responsible to Tenant for the violation or non-performance by any other tenant or any agent, employee or invitee thereof of any of the Rules and Regulations.

13.2. This Lease is subject to any recorded covenants, conditions or restrictions on the Project or Property (including the Parking and Transportation Demand Management Plan

Ordinance- Final Amendment Decision, issued on May 24, 2002, by the City of Cambridge (as the same may be amended from time to time, the “PTDM”), as the same may be amended, amended and restated, supplemented or otherwise modified from time to time (the “CC&Rs”), and Tenant shall, at its sole cost and expense, comply with and cause the Project to comply with the CC&Rs, the PTDM, and any other documents listed on Exhibit E attached hereto (together with the PTDM, the “Property Operations Documents”); provided, however, in no event shall any CC&Rs entered into after the date of this Lease materially reduce Tenant’s rights or materially increase Tenant’s obligations hereunder. Tenant acknowledges that Tenant, at its sole cost and expense, shall comply with the tenant requirements in the PTDM, including the requirements set forth in the “Alternative Work Programs,” “Public Transportation Incentives,” “Ridesharing Programs” and “Provisions of Bicycle and Pedestrian Amenities” sections thereof. Tenant, at its sole cost and expense, shall also comply with the reporting requirements set forth in the PTDM at Landlord’s request. Any costs incurred by Landlord in connection with the PTDM shall constitute an Operating Expense.

13.3. Notwithstanding anything in this Lease to the contrary, Tenant may not install any security systems (including cameras) outside the Premises or that record sounds or images outside the Premises without Landlord’s prior written consent, which Landlord may withhold in its sole and absolute discretion.

13.4. The Charles River Transportation Management Association (of which Landlord or an affiliate of Landlord is currently a member) provides certain programs to help improve transportation in the Cambridge area. Their website is [www.charlesrivertma.org](http://www.charlesrivertma.org).

13.5. Tenant shall have a non-exclusive, irrevocable license to use twenty-eight (28) parking spaces in the facilities serving the Building and the Project in common on an unreserved basis with other tenants of the Building and the Project during the Term at a cost of Three Hundred Eighty Dollars (\$380.00) per parking space per month (and subject to market rate adjustment by Landlord from time to time throughout the Term), which Tenant shall pay (a) prior to the Rent Commencement Date, within thirty (30) days of Landlord’s written notice therefor, and (b) from and after the Rent Commencement Date, simultaneously with payments of Base Rent as Additional Rent. Tenant, at any time and from time to time during the Term, may elect to waive its right to use some or all of its parking spaces upon written notice to Landlord. If Tenant so elects, then it shall forfeit for the then-remainder of the Term (including any extension thereof) any and all rights to such waived parking spaces; provided, however, that Tenant may later request from Landlord additional parking spaces up to Tenant’s maximum number of parking spaces hereunder, and subject to the availability of such additional parking spaces, as determined by Landlord in its sole and absolute discretion, then the number of parking spaces licensed to Tenant under this Section 13.5 shall be increased by the number of parking spaces so requested. Notwithstanding anything to the contrary contained herein, during the Free Rent Period only, Tenant shall have the right to elect to use fewer parking spaces upon written notice to landlord without waiving its right to the maximum number of parking spaces for the remainder of the Term. For the avoidance of doubt, Tenant shall pay the parking fee for the number of spaces used by Tenant or its contractors and agents during the Free Rent Period.

13.6. Tenant agrees not to unreasonably overburden the parking facilities in violation of any rules and regulations reasonably promulgated by Landlord and agrees to cooperate with Landlord and other tenants in the use of the parking facilities, and Landlord hereby agrees that Tenant shall not be deemed to be overburdening the parking facilities if Tenant is using the number of spaces (or fewer) than allocated to Tenant. Upon such determination, Landlord may reasonably allocate parking spaces among Tenant and other tenants of the Building or the Project; provided that Tenant shall be entitled to the number of spaces set forth in Section 13.5 above. Nothing in this Section, however, is intended to create an affirmative duty on Landlord's part to monitor parking.

13.7. Subject to the terms of this Lease including the Rules and Regulations and the rights of other tenants of the Building, Tenant shall have the non-exclusive right, to access the freight loading dock and freight elevator twenty-four (24) hours per day, seven (7) days per week at no additional per usage charge.

14. Project Control by Landlord.

14.1. Landlord reserves full control over the Building and the Project to the extent not inconsistent with Tenant's enjoyment of the Premises as provided by and consistent with the other terms in this Lease. This reservation includes Landlord's right to subdivide the Project; convert the Building and other buildings within the Project to condominium units; change the size of the Project by selling all or a portion of the Project or adding real property and any improvements thereon to the Project; grant easements and licenses to third parties; maintain or establish ownership of the Building separate from fee title to the Property; make additions to or reconstruct portions of the Building and the Project; install, use, maintain, repair, replace and relocate for service to the Premises and other parts of the Building or the Project pipes, ducts, conduits, wires and appurtenant fixtures, wherever located in the Premises, the Building or elsewhere at the Project; and alter or relocate any other Common Area or facility, including private drives, lobbies, entrances and landscaping; provided, however, that such rights shall be exercised in a way that does not materially adversely affect Tenant's beneficial use and occupancy of the Premises, including the Permitted Use and Tenant's access to the Premises. Tenant acknowledges that Landlord specifically reserves the right to allow the exclusive use of corridors and restroom facilities located on specific floors to one or more tenants occupying such floors; provided, however, that Tenant shall not be deprived of the use of the corridors reasonably required to serve the Premises or of restroom facilities serving the floor upon which the Premises are located.

14.2. Possession of areas of the Premises necessary for utilities, services, safety and operation of the Building is reserved to Landlord.

14.3. Tenant shall, at Landlord's request, promptly execute such further documents as may be reasonably appropriate to assist Landlord in the performance of its obligations hereunder; provided that Tenant need not execute any document that creates additional liability for Tenant or that deprives Tenant of the quiet enjoyment and use of the Premises as provided for in this Lease.

14.4. Landlord may, at any and all reasonable times during non-business hours (or during business hours, if (a) with respect to Subsections 14.4(u) through 14.4(y), Tenant so requests, and (b) with respect to Subsection 14.4(z), if Landlord so requests), and upon twenty-four (24) hours' prior notice (which may be oral or by email to the office manager or other Tenant-designated individual at the Premises; but provided that no time restrictions shall apply or advance notice be required if an emergency necessitates immediate entry), enter the Premises to (u) inspect the same and to determine whether Tenant is in compliance with its obligations hereunder, (v) supply any service Landlord is required to provide hereunder, (w) alter, improve or repair any portion of the Building other than the Premises for which access to the Premises is reasonably necessary, (x) post notices of nonresponsibility, (y) access the telephone equipment, electrical substation and fire risers and (z) show the Premises to prospective tenants during the final year of the Term and current and prospective purchasers and lenders at any time. Notwithstanding the foregoing, Tenant shall have the right to have a representative of Tenant accompany Landlord at such times; provided, however, if Tenant's representative is not available or does not elect to accompany Landlord at the times that Landlord has requested access, then such unavailability shall not prohibit or otherwise restrict Landlord's access, and Landlord may access the Premises with or without Tenant's representative present. In connection with any such alteration, improvement or repair as described in Subsection 14.4(w), Landlord may erect in the Premises or elsewhere in the Project scaffolding and other structures reasonably required for the alteration, improvement or repair work to be performed. In no event shall Tenant's Rent abate as a result of Landlord's activities pursuant to this Section; provided, however, that all such activities shall be conducted in such a manner so as to cause as little interference to Tenant as is reasonably possible. Landlord shall at all times retain a key with which to unlock all of the doors in the Premises. If an emergency necessitates immediate access to the Premises, Landlord may use whatever force is necessary to enter the Premises, and any such entry to the Premises shall not constitute a forcible or unlawful entry to the Premises, a detainer of the Premises, or an eviction of Tenant from the Premises or any portion thereof.

15. Quiet Enjoyment. Landlord covenants that Tenant, upon paying the Rent and performing its obligations contained in this Lease, may peacefully and quietly have, hold and enjoy the Premises, free from any claim by Landlord or persons claiming under Landlord, but subject to all of the terms and provisions hereof, provisions of Applicable Laws and rights of record to which this Lease is or may become subordinate. This covenant is in lieu of any other quiet enjoyment covenant, either express or implied.

16. Utilities and Services.

16.1 Commencing on the Term Commencement Date, Tenant shall pay for all water (including the cost to service, repair and replace reverse osmosis, de-ionized and other treated water), gas, heat, light, power, telephone, internet service, cable television, other telecommunications and other utilities supplied to the Premises, together with any fees, surcharges and taxes thereon. If any such utility is not separately metered or sub-metered to Tenant, Tenant shall pay Tenant's Adjusted Share of all charges of such utility jointly metered with other premises as part of Tenant's Adjusted Share of Operating Expenses or, in the alternative, Landlord may, at its option, monitor the usage of such utilities by Tenant, and if



Landlord determines that Tenant is using more than Tenant's Pro Rata Share of any such utility, then Landlord may charge Tenant with the cost of purchasing, installing, and monitoring such metering equipment, which cost shall be paid by Tenant as Additional Rent. For purposes of clarity, the immediately foregoing sentence shall not restrict Landlord from purchasing or installing such metering equipment to tenant premises in the Building, including the Premises, and including any costs thereof in Operating Expenses to the extent permitted by Article 9.

16.2 Landlord may base its bills for utilities on reasonable estimates; provided that Landlord adjusts such billings or as part of the next Landlord's Statement to reflect the actual cost of providing utilities to the Premises. To the extent that Tenant uses more than Tenant's Pro Rata Share of any utilities, then Tenant shall pay Landlord for Tenant's Adjusted Share of such utilities to reflect such excess. In the event that the Building or Project is less than fully occupied during a calendar year, Tenant acknowledges that Landlord may extrapolate utility usage that varies depending on the occupancy of the Building or Project (as applicable) to equal Landlord's reasonable estimate of what such utility usage would have been had the Building or Project, as applicable, been ninety-five percent (95%) occupied during such calendar year; provided, however, that Landlord shall not recover more than one hundred percent (100%) of the cost of such utilities.

16.3 Landlord shall not be liable for, nor shall any eviction of Tenant result from, the failure to furnish any utility or service, whether or not such failure is caused by accidents; breakage; casualties (to the extent not caused by the party claiming Force Majeure); Severe Weather Conditions (as defined below); physical natural disasters (but excluding weather conditions that are not Severe Weather Conditions); strikes, lockouts or other labor disturbances or labor disputes (other than labor disturbances and labor disputes resulting solely from the acts or omissions of the party claiming Force Majeure); acts of terrorism; riots or civil disturbances; wars or insurrections; shortages of materials (which shortages are not unique to the party claiming Force Majeure); government regulations, moratoria or other governmental actions, inactions or delays; failures to grant consent or delays in granting consent by any Lender whose consent is required under any applicable Loan Document; failures by third parties to deliver gas, oil or another suitable fuel supply, or inability of the party claiming Force Majeure, by exercise of reasonable diligence, to obtain gas, oil or another suitable fuel; or other causes beyond the reasonable control of the party claiming that Force Majeure has occurred (collectively, "Force Majeure"); or, to the extent permitted by Applicable Laws, Landlord's negligence. In the event of such failure, Tenant shall not be entitled to termination of this Lease or, except as expressly set forth in this Section, any abatement or reduction of Rent, nor shall Tenant be relieved from the operation of any covenant or agreement of this Lease. "Severe Weather Conditions" means weather conditions that are materially worse than those that reasonably would be anticipated for the Property at the applicable time based on historic meteorological records. Notwithstanding anything to the contrary in this Lease, if, for more than seven (7) consecutive business days following written notice to Landlord and as a direct result of Landlord's gross negligence or willful misconduct (and except to the extent that such failure arises from any other factor, including any action or inaction of a Tenant Party (as defined below)), the provision of HVAC or other utilities to all or a material portion of the Premises that Landlord must provide pursuant to this Lease is interrupted (a "Material Services Failure"), then Base Rent and Tenant's Adjusted

Share of Operating Expenses (or, to the extent that less than all of the Premises are affected, a proportionate amount (based on the Rentable Area of the Premises that is rendered unusable) of Base Rent and Tenant's Adjusted Share of Operating Expenses) shall thereafter be abated until the Premises are again usable by Tenant for the Permitted Use; provided, however, that, if Landlord is diligently pursuing the restoration of such HVAC and other utilities and Landlord provides substitute HVAC and other utilities reasonably suitable for Tenant's continued use and occupancy of the Premises for the Permitted Use (e.g., supplying potable water or portable air conditioning equipment), then neither Base Rent nor Tenant's Adjusted Share of Operating Expenses shall be abated. During any Material Services Failure, Tenant will cooperate with Landlord to arrange for the provision of any interrupted utility services on an interim basis via temporary measures until final corrective measures can be accomplished, and Tenant will permit Landlord the necessary access to the Premises to remedy such Material Service Failure. In the event of any interruption of HVAC or other utilities that Landlord must provide pursuant to this Lease, regardless of the cause, Landlord shall diligently pursue the restoration of such HVAC and other utilities. Notwithstanding anything in this Lease to the contrary, but subject to Article 24 (which shall govern in the event of a casualty), the provisions of this Section shall be Tenant's sole recourse and remedy in the event of an interruption of HVAC or other utilities to the Premises, including related to Section 16.8.

16.4 Tenant shall pay for, prior to delinquency of payment therefor, any utilities and services that may be furnished to the Premises during or, if Tenant occupies the Premises after the expiration or earlier termination of the Term, after the Term, beyond those utilities provided by Landlord, including telephone, internet service, cable television and other telecommunications, together with any fees, surcharges and taxes thereon. Upon Landlord's demand, utilities and services provided to the Premises that are separately metered shall be paid by Tenant directly to the supplier of such utilities or services.

16.5 Tenant shall not, without Landlord's prior written consent, use any device in the Premises (including data processing machines) that will in any way (a) increase the amount of ventilation, air exchange, gas, steam, electricity or water required or consumed in the Premises based upon Tenant's Pro Rata Share of the Building or Project (as applicable) beyond the existing capacity of the Building or the Project usually furnished or supplied for the Permitted Use or (b) exceed Tenant's Pro Rata Share of the Building's or Project's (as applicable) capacity to provide such utilities or services.

16.6 If Tenant shall require utilities or services in excess of those usually furnished or supplied for tenants in similar spaces in the Building or the Project by reason of Tenant's equipment or extended hours of business operations with respect to those areas within the Premises designated as office zones in the lab/office zone plan attached hereto as Exhibit A-2 (the "Plan of Office/Lab Zones"), then Tenant shall first procure Landlord's consent for the use thereof, which consent Landlord may condition upon the availability of such excess utilities or services, and Tenant shall pay as Additional Rent an amount equal to the cost of providing such excess utilities and services.

16.7 Landlord shall provide hot and cold water in Common Area for lavatory and landscaping purposes only, which water shall be from the local municipal or similar source.

16.8 Landlord reserves the right to stop service of the elevator, plumbing, ventilation, air conditioning and utility systems, when Landlord deems necessary or desirable, due to accident, emergency or the need to make repairs, alterations or improvements, until such repairs, alterations or improvements shall have been completed, and, except as provided in Section 16.2, Landlord shall further have no responsibility or liability for failure to supply elevator facilities, plumbing, ventilation, air conditioning or utility service when prevented from doing so by Force Majeure or, to the extent permitted by Applicable Laws, Landlord's negligence. Without limiting the foregoing, it is expressly understood and agreed that any covenants on Landlord's part to furnish any service pursuant to any of the terms, covenants, conditions, provisions or agreements of this Lease, or to perform any act or thing for the benefit of Tenant, shall not be deemed breached if Landlord is unable to furnish or perform the same by virtue of Force Majeure or, to the extent permitted by Applicable Laws, Landlord's negligence.

16.9 For the Premises, Landlord shall (a) maintain and operate the base building HVAC systems up to the first damper or isolation valve that services Premises (and not including supplemental units installed by Tenant) used for the Permitted Use only ("Base HVAC") and (b) subject to Subsection 16.9(a), furnish HVAC as reasonably required (except as this Lease otherwise provides) for reasonably comfortable occupancy of the Premises twenty-four (24) hours a day, every day during the Term, subject to casualty, eminent domain or as otherwise specified in this Article. Notwithstanding anything to the contrary in this Section, Landlord shall have no liability, and Tenant shall have no right or remedy, on account of any interruption or impairment in HVAC services; except as provided in Section 16.2.

16.10 For any utilities serving the Premises for which Tenant is billed directly by such utility provider, Tenant agrees to furnish to Landlord (a) any invoices or statements for such utilities within thirty (30) days after Tenant's receipt thereof, (b) within thirty (30) days after Landlord's request, any other utility usage information reasonably requested by Landlord, and (c) within thirty (30) days after each calendar year during the Term, authorization to allow Landlord to access Tenant's usage information necessary for Landlord to complete an ENERGY STAR® Statement of Performance (or similar comprehensive utility usage report (e.g., related to Labs 21), if requested by Landlord) and any other information reasonably requested by Landlord for the immediately preceding year; and Tenant shall comply with any other energy usage or consumption requirements required by Applicable Laws. Tenant shall retain records of utility usage at the Premises, including invoices and statements from the utility provider, for at least thirty-six (36) months, or such other period of time as may be required by law. Tenant acknowledges that any utility information for the Premises, the Building and the Project may be shared with third parties, including Landlord's consultants and Governmental Authorities. In the event that Tenant fails to comply with this Section, Tenant hereby authorizes Landlord to collect utility usage information directly from the applicable utility providers, and Tenant shall pay Landlord a fee of Five Hundred Dollars (\$500) per month to collect such utility usage information. In addition to the foregoing, Tenant shall comply with all Applicable Laws related

to the disclosure and tracking of energy consumption at the Premises. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

16.11 The Building is currently serviced by a laboratory waste sanitary sewer connection from the pH neutralization room on the first (1<sup>st</sup>) floor of the Building to the municipal sewer line in the street adjacent to the Building. Tenant shall install a separate acid neutralization tank (the "Acid Neutralization Tank") as a part of the Tenant Improvements. Tenant, at its sole cost and expense, shall be responsible for obtaining, and complying with at all times, the MWRA Permit and any other permits and approvals from Governmental Authorities necessary to install, use or operate the Acid Neutralization Tank, and Tenant may not operate the Acid Neutralization Tank without first having provided to Landlord, for Landlord's approval, copies of all such permits and approvals. Tenant shall be responsible for all costs, charges and expenses in connection with or arising out of the operation, use, maintenance, repair or refurbishment of the Acid Neutralization Tank, including all clean-up costs relating to the Acid Neutralization Tank. Tenant shall Indemnify the Landlord Indemnitees from and against any and all Claims, including (a) diminution in value of the Project or any portion thereof, (b) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Project, (c) damages arising from any adverse impact on marketing of space in the Project or any portion thereof and (d) sums paid in settlement of Claims that arise during or after the Term as a result of Tenant's improper use of the Acid Neutralization Tank. This Indemnification by Tenant includes costs incurred in connection with any investigation of site conditions or any clean-up, remediation, removal or restoration required by any Governmental Authority arising from Tenant's use of the Acid Neutralization Tank.

16.12 Tenant, at its sole cost and expense, subject to the TI Allowance, shall (a) install a back-up generator (the "Generator") in the location designated as "Tenant 2B Generator Area" on Exhibit A attached hereto, and (b) connect the Generator to the Premises' emergency electrical panel for its exclusive use as part of the Tenant Improvements. Tenant shall be solely responsible, at Tenant's sole cost and expense (and Landlord shall not be liable) for maintaining, repairing and replacing the Generator or any parts or equipment related to or serving the Generator throughout the Term. The provisions of Section 16.3 shall apply to the Generator. The installation of the Generator and such related parts and equipment shall constitute Alterations.

17. Alterations.

17.1. Tenant shall make no alterations, additions or improvements (other than the Tenant Improvements) in or to the Premises or engage in any construction, demolition, reconstruction, renovation or other work (whether major or minor) of any kind in, at or serving the Premises ("Alterations") without Landlord's prior written approval, which approval may be subject to the consent of one or more Lenders, if required under any applicable Loan Document, but which approval Landlord shall not otherwise unreasonably withhold; provided, however, that, in the event any proposed Alteration affects (a) any structural portions of the Building, including exterior walls, the roof, the foundation or slab, foundation or slab systems (including barriers and subslab systems) or the core of the Building, (b) the exterior of the Building or (c)

any Building systems, including elevator, plumbing, HVAC, electrical, security, life safety and power, then Landlord may withhold its approval in its sole and absolute discretion. Tenant shall, in making any Alterations, use only those architects, contractors, suppliers and mechanics of which Landlord has given prior written approval, which approval shall be in Landlord's sole and absolute discretion. In seeking Landlord's approval, Tenant shall provide Landlord, at least thirty (30) days in advance of the desired commencement date of any proposed construction, with plans, specifications, bid proposals, certified stamped engineering drawings and calculations by Tenant's engineer of record or architect of record (including connections to the Building's structural system, modifications to the Building's envelope, non-structural penetrations in slabs or walls, and modifications or tie-ins to life safety systems), work contracts, requests for laydown areas and such other information concerning the nature and cost of the Alterations as Landlord may reasonably request, provided that Tenant shall not commence any such Alterations that require Landlord's consent unless and until Tenant has received the written approval of Landlord and any and all Lenders whose consent is required under any applicable Loan Documents. In no event shall Tenant use or Landlord be required to approve any architects, consultants, contractors, subcontractors or material suppliers that Landlord reasonably believes could cause labor disharmony or may not have sufficient experience, in Landlord's reasonable opinion, to perform work in an occupied Class "A" laboratory research building and in tenant-occupied lab areas. Notwithstanding the foregoing, Tenant may make strictly cosmetic changes to the Premises that do not require any permits or more than three (3) total contractors and subcontractors ("Cosmetic Alterations") without Landlord's consent; provided that (y) the cost of any Cosmetic Alterations does not exceed One Hundred Forty Thousand Dollars (\$140,000) in any one instance or Two Hundred Fifty Thousand Dollars (\$250,000) annually, (z) such Cosmetic Alterations are not reasonably expected to have any material adverse effect on the Project and do not (i) require any structural or other substantial modifications to the Premises, (ii) require any changes to or adversely affect the Building systems, (iii) affect any portion of the Building or Project that is exterior to the Premises or (iv) trigger any requirement under Applicable Laws that would require Landlord to make any alteration or improvement to the Premises, the Building or the Project. Tenant shall give Landlord at least ten (10) days' prior written notice of any Cosmetic Alterations.

17.2. Tenant shall not construct or permit to be constructed partitions or other obstructions that might interfere with free access to mechanical installation or service facilities of the Building or with other tenants' components located within the Building, or interfere with the moving of Landlord's equipment to or from the enclosures containing such installations or facilities.

17.3. Tenant shall accomplish any work performed on the Premises or the Building in such a manner as to permit any life safety systems to remain fully operable at all times.

17.4. Any work performed on the Premises, the Building or the Project by Tenant or Tenant's contractors shall be done at such times and in such manner as Landlord may from time to time designate. Tenant covenants and agrees that all work done by Tenant or Tenant's contractors shall be performed in full compliance with Applicable Laws. Within thirty (30) days after completion of any Alterations (other than Cosmetic Alterations), Tenant shall provide

Landlord with complete "as built" drawing print sets and electronic CADD files on disc (or files in such other current format in common use as Landlord reasonably approves or requires) showing any changes in the Premises, as well as a commissioning report prepared by a licensed, qualified commissioning agent hired by Tenant and approved by Landlord for all new or affected mechanical, electrical and plumbing systems. Any such "as built" plans shall show the applicable Alterations as an overlay on the Building as-built plans; provided that Landlord provides the Building "as built" plans to Tenant.

17.5. Before commencing any Alterations (other than Cosmetic Alterations), and provided Tenant has received Landlord's consent thereto (other than for Cosmetic Alterations), Tenant shall (a) give Landlord at least ten (10) days' prior written notice of the proposed commencement of such work and the names and addresses of the persons supply labor or materials therefor so that Landlord may enter the Premises to post and keep posted thereon and therein notices or to take any further action that Landlord may reasonably deem proper for the protection of Landlord's interest in the Project and (b) shall, if required by Landlord, secure, at Tenant's own cost and expense, a completion and lien indemnity bond satisfactory to Landlord for such work.

17.6. Tenant shall repair any damage to the Premises arising from Tenant's removal of any property from the Premises. During any such restoration period, Tenant shall pay Rent to Landlord as provided herein as if such space were otherwise occupied by Tenant. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

17.7. The Premises plus any Alterations; Signage; Tenant Improvements; attached equipment, decorations, fixtures and trade fixtures; movable laboratory casework and related appliances; and other additions and improvements attached to or built into the Premises made by either of the parties (including all floor and wall coverings; paneling; sinks and related plumbing fixtures; laboratory benches; exterior venting fume hoods; walk-in freezers and refrigerators; ductwork; conduits; electrical panels and circuits; attached machinery and equipment; and built-in furniture and cabinets, in each case, together with all additions and accessories thereto), shall (unless, prior to such construction or installation, Landlord elects otherwise in writing) at all times remain the property of Landlord, shall remain in the Premises and shall (unless, prior to construction or installation thereof, Landlord elects otherwise in writing) be surrendered to Landlord upon the expiration or earlier termination of this Lease. For the avoidance of doubt, the items listed on Exhibit G attached hereto (which Exhibit G may be updated by Tenant from and after the Term Commencement Date, subject to Landlord's written consent) constitute Tenant's property and shall be removed by Tenant upon the expiration or earlier termination of the Lease.

17.8. Notwithstanding any other provision of this Article to the contrary, in no event shall Tenant remove any improvement from the Premises or as to which Landlord contributed payment, including the Tenant Improvements, without Landlord's prior written consent, which consent Landlord may withhold in its sole and absolute discretion.

17.9. If Tenant shall fail to remove any of its property from the Premises prior to the expiration or earlier termination of this Lease, then Landlord may, at its option, remove the same

in any manner that Landlord shall choose and store such effects without liability to Tenant for loss thereof or damage thereto, and Tenant shall pay Landlord, upon demand, any costs and expenses incurred due to such removal and storage or Landlord may, at its sole option and without notice to Tenant, sell such property or any portion thereof at private sale and without legal process for such price as Landlord may obtain and apply the proceeds of such sale against any (a) amounts due by Tenant to Landlord under this Lease and (b) any expenses incident to the removal, storage and sale of such personal property.

17.10. Tenant shall pay to Landlord (within twenty [20] days of Landlord's written demand) any reasonable third party out-of-pocket costs incurred by Landlord for professional review of any plans or specifications for Alterations that require Landlord's consent. Tenant shall reimburse Landlord for any extra expenses incurred by Landlord by reason of faulty work done by Tenant or its contractors, or by reason of delays caused by such faulty work, or by reason of inadequate clean-up.

17.11. Within sixty (60) days after final completion of the Tenant Improvements or any Alterations performed by Tenant with respect to the Premises, Tenant shall submit to Landlord documentation showing the amounts expended by Tenant with respect to such Tenant Improvements and Alterations, together with supporting documentation reasonably acceptable to Landlord.

17.12. Tenant shall take, and shall cause its contractors to take, commercially reasonable steps to protect the Premises during the performance of any Alterations or Tenant Improvements, including covering or temporarily removing any window coverings so as to guard against dust, debris or damage.

17.13. Tenant shall require its contractors and subcontractors performing work on the Premises to name Landlord and BioMed Realty, L.P., and each of their respective officers, employees, directors, representatives, agents, general partners, members, subsidiaries, affiliates and Lenders (collectively with Landlord, the "Landlord Parties") as additional insureds on their respective insurance policies.

17.14. Notwithstanding anything to the contrary in this Lease, Landlord and Tenant agree that Landlord shall be permitted to withhold its approval (in its sole and absolute discretion) of any Alteration, including the Tenant Improvements, that changes the location of the lab/office zones as shown on Plan of Office/Lab Zones.

17.15. With respect to any Alterations related to building management systems ("BMS"), Tenant shall integrate tenant BMS for the Premises into the base building management system and utilize the same system for all of Tenant's HVAC control requirements. The base building management system is currently operated by Johnson Controls. No alternatives or BACnet protocol will be allowed. Tenant's BMS controls contractor shall be subject to Landlord's approval.

18. Repairs and Maintenance.

18.1. Landlord shall repair and maintain the structural and exterior portions and Common Area of the Building and the Project, including roofing and covering materials; foundations (excluding any architectural slabs, but including any structural slabs); exterior walls; plumbing; fire sprinkler systems (if any); base Building HVAC systems up to the first damper or isolation valve that serves the Premises (for purposes of clarity, the portion of the HVAC system that includes such first damper or isolation valve and extends into and through the Premises, and any supplemental HVAC serving the Premises shall not be part of the base Building HVAC and shall be Tenant's obligation to maintain and repair pursuant to Section 18.2 below); elevators; and base Building electrical systems installed or furnished by Landlord.

18.2. Except for services of Landlord, if any, required by Section 18.1, Tenant shall at Tenant's sole cost and expense maintain and keep the Premises (including but not limited to the portion of the HVAC system that includes the first damper or isolation valve and extends into and through the Premises, any supplemental HVAC serving the Premises, the Generator, and any other systems or equipment exclusively serving the Premises) and every part thereof in good condition and repair, and shall, within ten (10) days after receipt of written notice from Landlord, provide to Landlord any maintenance records that Landlord reasonably requests. Tenant shall, upon the expiration or sooner termination of the Term, surrender the Premises to Landlord in as good a condition as when received, ordinary wear and tear excepted; and shall, at Landlord's request and Tenant's sole cost and expense, remove all telephone and data systems, wiring and equipment from the Premises (with respect to wiring, only to the extent installed by a Tenant Party (as defined below)), and repair any damage to the Premises caused thereby. Landlord shall have no obligation to alter, remodel, improve, repair, decorate or paint the Premises or any part thereof.

18.3. Throughout the Term of the Lease, Tenant shall, at Tenant's sole cost and expense, maintain copies for the prior three (3) years, of all applicable service contracts, service, repair and maintenance records, and inspection reports on all equipment installed by or maintained by Tenant. Tenant shall, within ten (10) business days after receipt of written notice from Landlord, provide to Landlord any maintenance records, service or inspection reports that Landlord reasonably requests. Upon surrender of the Premises upon the expiration or earlier termination of this Lease, Tenant shall provide Landlord with all original equipment manufacturer (OEM) manuals for any equipment installed and not removed by Tenant. Landlord shall also have the right to perform an audit of the equipment serving the Premises in the form of a facilities condition assessment or similar report throughout the Term at its sole cost and expense. To the extent such audit recommends corrective action, Tenant shall promptly perform such corrective action as part of its repair and maintenance obligations.

18.4. Landlord shall not be liable for any failure to make any repairs or to perform any maintenance that is Landlord's obligation pursuant to this Lease unless such failure shall persist for an unreasonable time after Tenant provides Landlord with written notice of the need of such repairs or maintenance. Tenant waives its rights under Applicable Laws now or hereafter in effect to make repairs at Landlord's expense.



18.5. If any excavation shall be made upon land adjacent to or under the Building, or shall be authorized to be made, Tenant shall afford to the person causing or authorized to cause such excavation, license to enter the Premises for the purpose of performing such work as such person shall deem necessary or desirable to preserve and protect the Building from injury or damage and to support the same by proper foundations, without any claim for damages or liability against Landlord and without reducing or otherwise affecting Tenant's obligations under this Lease.

18.6. This Article relates to repairs and maintenance arising in the ordinary course of operation of the Building and the Project. In the event of a casualty described in Article 24, Article 24 shall apply in lieu of this Article. In the event of eminent domain, Article 25 shall apply in lieu of this Article.

18.7. Costs incurred by Landlord pursuant to this Article shall constitute Operating Expenses.

19. Liens.

19.1. Subject to the immediately succeeding sentence, Tenant shall keep the Premises, the Building and the Project free from any liens arising from work or services performed, materials furnished to or obligations incurred by Tenant. Tenant further covenants and agrees that any mechanic's or materialman's lien filed against the Premises, the Building or the Project for work or services claimed to have been done for, or materials claimed to have been furnished to, or obligations incurred by Tenant shall be discharged or bonded by Tenant within ten (10) days after Tenant's receipt of notice of the filing thereof, at Tenant's sole cost and expense.

19.2. Should Tenant fail to discharge or bond against any lien of the nature described in Section 19.1, Landlord may, at Landlord's election, pay such claim or post a statutory lien bond or otherwise provide security to eliminate the lien as a claim against title, and Tenant shall immediately reimburse Landlord for the costs thereof as Additional Rent. Tenant shall Indemnify the Landlord Indemnitees from and against any Claims arising from any such liens, including any administrative, court or other legal proceedings related to such liens.

19.3. In the event that Tenant leases or finances 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 shall, 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 Premises, the Building or the Project be furnished on a financing statement without qualifying language as to applicability of the lien only to removable personal property located in an identified suite leased by Tenant. Should any holder of a financing statement record or place of record a financing statement that appears to constitute a lien against any interest of Landlord or against equipment that may be located other than within an identified suite leased by Tenant, Tenant shall, within ten (10) days after filing such financing statement, cause (a) a copy of the lender security agreement or other documents to which the financing statement pertains to be furnished to Landlord to facilitate Landlord's ability to demonstrate that

the lien of such financing statement is not applicable to Landlord's interest and (b) Tenant's lender to amend such financing statement and any other documents of record to clarify that any liens imposed thereby are not applicable to any interest of Landlord in the Premises, the Building or the Project.

20. Estoppel Certificate. Tenant shall, within ten (10) days after receipt of written notice from Landlord, execute, acknowledge and deliver a statement in writing substantially in the form attached to this Lease as Exhibit H, or on any other form reasonably requested by a current or proposed Lender or encumbrancer or proposed purchaser, (a) 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 rental and other charges are paid in advance, if any, (b) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (c) setting forth such further information with respect to this Lease or the Premises as may be requested thereon. Any such statements may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the Property.

21. Hazardous Materials.

21.1. Tenant shall not cause or permit any Hazardous Materials (as defined below) to be brought upon, kept or used in or about the Premises, the Building or the Project in violation of Applicable Laws by Tenant or any of its employees, agents, contractors or invitees (collectively with Tenant, each a "Tenant Party"). If (a) Tenant breaches such obligation, (b) the presence of Hazardous Materials as a result of such a breach results in contamination of the Project, any portion thereof, or any adjacent property, (c) contamination of the Premises otherwise occurs during the Term or any extension or renewal hereof or holding over hereunder (other than if such contamination results from (i) migration of Hazardous Materials from outside the Premises not arising from the acts or omissions of a Tenant Party or coming from property owned or leased by a Tenant Party or (ii) to the extent such contamination arises directly from Landlord's gross negligence or willful misconduct), or (d) contamination of the Project occurs as a result of Hazardous Materials that are placed on or under or are released into the Project by a Tenant Party, then Tenant shall Indemnify the Landlord Indemnitees from and against any and all Claims of any kind or nature, including (w) diminution in value of the Project or any portion thereof, (x) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Project, (y) damages arising from any adverse impact on marketing of space in the Project or any portion thereof and (z) sums paid in settlement of Claims that arise before, during or after the Term as a result of such breach or contamination. This Indemnification by Tenant includes costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work required by any Governmental Authority because of Hazardous Materials present in the air, soil or groundwater above, on, under or about the Project. Without limiting the foregoing, if the presence of any Hazardous Materials in, on, under or about the Project, any portion thereof or any adjacent property caused or permitted by any Tenant Party results in any contamination of the Project, any portion thereof or any adjacent property, then Tenant shall promptly take all actions at its sole cost and expense as are necessary to return the Project, any portion thereof or any adjacent property to its respective condition

existing prior to the time of such contamination; provided that Landlord's written approval of such action shall first be obtained, which approval Landlord shall not unreasonably withhold; and provided, further, that it shall be reasonable for Landlord to withhold its consent if such actions could have a material adverse long-term or short-term effect on the Project, any portion thereof or any adjacent property. Tenant's obligations under this Section shall not be affected, reduced or limited by any limitation on the amount or type of damages, compensation or benefits payable by or for Tenant under workers' compensation acts, disability benefit acts, employee benefit acts or similar legislation. Notwithstanding the foregoing, Landlord shall Indemnify the Tenant Parties from and against any and all Claims arising from the presence of Hazardous Materials at the Property in violation of Applicable Laws as of the Execution Date, unless placed at the Property by a Tenant Party.

21.2. Landlord acknowledges that it is not the intent of this Article to prohibit Tenant from operating its business for the Permitted Use. Tenant may operate its business according to the custom of Tenant's industry so long as the use or presence of Hazardous Materials is strictly and properly monitored in accordance with Applicable Laws. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord (a) a list identifying each type of Hazardous Material to be present at the Premises that is subject to regulation under any environmental Applicable Laws in the form of a Tier II form pursuant to Section 312 of the Emergency Planning and Community Right-to-Know Act of 1986 (or any successor statute) or any other form reasonably requested by Landlord, (b) a list of any and all approvals or permits from Governmental Authorities required in connection with the presence of such Hazardous Material at the Premises and (c) correct and complete copies of (i) notices of violations of Applicable Laws related to Hazardous Materials and (ii) plans relating to the installation of any storage tanks to be installed in, on, under or about the Project (provided that installation of storage tanks shall only be permitted after Landlord has given Tenant its written consent to do so, which consent Landlord may withhold in its sole and absolute discretion) and closure plans or any other documents required by any and all Governmental Authorities for any storage tanks installed in, on, under or about the Project for the closure of any such storage tanks (collectively, "Hazardous Materials Documents"). Notwithstanding the foregoing, Tenant shall not be required to include within the Hazardous Materials Documents any Hazardous Materials found in office supplies used in the ordinary course and in compliance with all Applicable Laws. Tenant shall deliver to Landlord updated Hazardous Materials Documents, within fourteen (14) days after receipt of a written request therefor from Landlord, not more often than once per year, unless (m) there are any changes to the Hazardous Materials Documents or (n) Tenant initiates any Alterations or changes its business, in either case in a way that involves any material increase in the types or amounts of Hazardous Materials, in which case Tenant shall deliver updated Hazardous Materials documents (without Landlord having to request them) before or, if not practicable to do so before, as soon as reasonably practicable after the occurrence of the events in Subsection 21.2(m) or (n). For each type of Hazardous Material listed, the Hazardous Materials Documents shall include (t) the chemical name, (u) the material state (e.g., solid, liquid, gas or cryogen), (v) the concentration, (w) the storage amount and storage condition (e.g., in cabinets or not in cabinets), (x) the use amount and use condition (e.g., open use or closed use), (y) the location (e.g., room number or other identification) and (z) if known, the chemical abstract service number. Notwithstanding

anything in this Section to the contrary, Tenant shall not be required to provide Landlord with any documents containing information of a proprietary nature, unless such documents contain a reference to Hazardous Materials or activities related to Hazardous Materials. Landlord may, at Landlord's expense, cause the Hazardous Materials Documents to be reviewed by a person or firm qualified to analyze Hazardous Materials to confirm compliance with the provisions of this Lease and with Applicable Laws. In the event that a review of the Hazardous Materials Documents indicates non-compliance with this Lease or Applicable Laws, Tenant shall, at its expense, diligently take steps to bring its storage and use of Hazardous Materials into compliance. Notwithstanding anything in this Lease to the contrary or Landlord's review into Tenant's Hazardous Materials Documents or use or disposal of hazardous materials, however, Landlord shall not have and expressly disclaims any liability related to Tenant's or other tenants' use or disposal of Hazardous Materials, it being acknowledged by Tenant that Tenant is best suited to evaluate the safety and efficacy of its Hazardous Materials usage and procedures.

21.3. Tenant represents and warrants to Landlord that it is not nor has it been, in connection with the use, disposal or storage of Hazardous Materials, (a) subject to a material enforcement order issued by any Governmental Authority or (b) required to take any remedial action.

21.4. At any time, and from time to time, prior to the expiration of the Term, Landlord shall have the right to conduct appropriate tests of the Project or any portion thereof to demonstrate that Hazardous Materials are present or that contamination has occurred due to the acts or omissions of a Tenant Party. Tenant shall pay all reasonable costs of such tests if such tests reveal that Hazardous Materials exist at the Project in violation of this Lease.

21.5. If underground or other storage tanks storing Hazardous Materials installed or utilized by Tenant are located on the Premises, or are hereafter placed on the Premises by Tenant (or by any other party, if such storage tanks are utilized by Tenant), then Tenant shall monitor the storage tanks, maintain appropriate records, implement reporting procedures, properly close any underground storage tanks, and take or cause to be taken all other steps necessary or required under the Applicable Laws. Tenant shall have no responsibility or liability for underground or other storage tanks installed by anyone other than Tenant unless Tenant utilizes such tanks, in which case Tenant's responsibility for such tanks shall be as set forth in this Section.

21.6. Tenant shall promptly report to Landlord any actual or suspected presence of mold or water intrusion at the Premises.

21.7. Tenant's obligations under this Article shall survive the expiration or earlier termination of the Lease. During any period of time needed by Tenant or Landlord after the termination of this Lease to complete the removal from the Premises of any such Hazardous Materials for which Tenant is liable, Tenant shall be deemed a holdover tenant and subject to the provisions of [Article 27](#).

21.8. As used herein, the term "Hazardous Material" means any toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous

substance, material or waste that is or becomes regulated by Applicable Laws or any Governmental Authority.

21.9. Notwithstanding anything to the contrary in this Lease, Landlord shall have sole control over the equitable allocation of fire control areas (as defined in the Uniform Building Code as adopted by the city or municipality(ies) in which the Project is located (the "UBC")) within the Project for the storage of Hazardous Materials. Notwithstanding anything to the contrary in this Lease, the quantity of Hazardous Materials allowed by this Section is specific to Tenant and shall not run with the Lease in the event of a Transfer (as defined in Article 29). In the event of a Transfer, if the use of Hazardous Materials by such new tenant ("New Tenant") is such that New Tenant utilizes fire control areas in the Project in excess of New Tenant's Pro Rata Share of the Building or the Project, as applicable, then New Tenant shall, at its sole cost and expense and upon Landlord's written request, establish and maintain a separate area of the Premises classified by the UBC as an "H" occupancy area for the use and storage of Hazardous Materials, or take such other action as is necessary to ensure that its share of the fire control areas of the Building and the Project is not greater than New Tenant's Pro Rata Share of the Building or the Project, as applicable. Notwithstanding anything in this Lease to the contrary, Landlord shall not have and expressly disclaims any liability related to Tenant's or other tenants' use or disposal of fire control areas, it being acknowledged by Tenant that Tenant and other tenants are best suited to evaluate the safety and efficacy of its Hazardous Materials usage and procedures.

22. Odors and Exhaust. Tenant acknowledges that Landlord would not enter into this Lease with Tenant unless Tenant assured Landlord that under no circumstances will any other occupants of the Building or the Project (including persons legally present in any outdoor areas of the Project) be subjected to odors or fumes (whether or not noxious), and that the Building and the Project will not be damaged by any exhaust, in each case from Tenant's operations. Landlord and Tenant therefore agree as follows:

22.1. Tenant shall not cause or permit (or conduct any activities that would cause) any release of any odors or fumes of any kind from the Premises.

22.2. If the Building has a ventilation system that, in Landlord's judgment, is adequate, suitable, and appropriate to vent the Premises in a manner that does not release odors affecting any indoor or outdoor part of the Project, Tenant shall vent the Premises through such system. If Landlord at any time determines that any existing ventilation system is inadequate, or if no ventilation system exists, Tenant shall in compliance with Applicable Laws vent all fumes and odors from the Premises (and remove odors from Tenant's exhaust stream) as Landlord requires. The placement and configuration of all ventilation exhaust pipes, louvers and other equipment shall be subject to Landlord's approval. Tenant acknowledges Landlord's legitimate desire to maintain the Project (indoor and outdoor areas) in an odor-free manner, and Landlord may require Tenant to abate and remove all odors in a manner that goes beyond the requirements of Applicable Laws.

22.3. Tenant shall, at Tenant's sole cost and expense, provide odor eliminators and other devices (such as filters, air cleaners, scrubbers and whatever other equipment may in

Landlord's judgment be necessary or appropriate from time to time) to completely remove, eliminate and abate any odors, fumes or other substances in Tenant's exhaust stream that, in Landlord's judgment, emanate from Tenant's Premises. Any work Tenant performs under this Section shall constitute Alterations.

22.4. Tenant's responsibility to remove, eliminate and abate odors, fumes and exhaust shall continue throughout the Term. Landlord's approval of the Tenant Improvements shall not preclude Landlord from requiring additional measures to eliminate odors, fumes and other adverse impacts of Tenant's exhaust stream (as Landlord may designate in Landlord's discretion). Tenant shall install additional equipment as Landlord requires from time to time under the preceding sentence. Such installations shall constitute Alterations.

22.5. If Tenant fails to install satisfactory odor control equipment within ten (10) business days after Landlord's demand made at any time, then Landlord may, without limiting Landlord's other rights and remedies, require Tenant to cease and suspend any operations in the Premises that, in Landlord's determination, cause odors, fumes or exhaust. For example, if Landlord determines that Tenant's production of a certain type of product causes odors, fumes or exhaust, and Tenant does not install satisfactory odor control equipment within ten (10) business days after Landlord's request, then Landlord may require Tenant to stop producing such type of product in the Premises unless and until Tenant has installed odor control equipment satisfactory to Landlord.

23. Insurance; Waiver of Subrogation.

23.1. Landlord shall maintain insurance for the Building and the Project in amounts equal to full replacement cost (exclusive of the costs of excavation, foundations and footings, engineering costs or such other costs to the extent the same are not incurred in the event of a rebuild and without reference to depreciation taken by Landlord upon its books or tax returns) or such lesser coverage as Landlord may elect, provided that such coverage shall not be less than the amount of such insurance Landlord's Lender, if any, requires Landlord to maintain, providing protection against any peril generally included within the classification "Fire and Extended Coverage," together with insurance against sprinkler damage (if applicable), vandalism and malicious mischief. Landlord, subject to availability thereof, shall further insure, if Landlord deems it appropriate, coverage against flood, environmental hazard, earthquake, loss or failure of building equipment, rental loss during the period of repairs or rebuilding, Workers' Compensation insurance and fidelity bonds for employees employed to perform services. Notwithstanding the foregoing, Landlord may, but shall not be deemed required to, provide insurance for any improvements installed by Tenant or that are in addition to the standard improvements customarily furnished by Landlord, without regard to whether or not such are made a part of or are affixed to the Building.

23.2. In addition, Landlord shall carry Commercial General Liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence/general aggregate for bodily injury (including death), or property damage with respect to the Project.

23.3. Tenant shall, at its own cost and expense, procure and maintain during the Term the following insurance for the benefit of Tenant and Landlord (as their interests may appear) with insurers financially acceptable and lawfully authorized to do business in the state where the Premises are located:

(a) Commercial General Liability insurance on a broad-based occurrence coverage form, with coverages including but not limited to bodily injury (including death), property damage (including loss of use resulting therefrom), premises/operations, personal & advertising injury, and contractual liability with limits of liability of not less than \$1,000,000 for bodily injury and property damage per occurrence, \$2,000,000 general aggregate, which limits may be met by use of excess and/or umbrella liability insurance; provided that such coverage is at least as broad as the primary coverages required herein.

(b) Commercial Automobile Liability insurance covering liability arising from the use or operation of any auto on behalf of Tenant or invited by Tenant (including those owned, hired, rented, leased, borrowed, scheduled or non-owned). Coverage shall be on a broad-based occurrence form in an amount not less than \$1,000,000 combined single limit per accident for bodily injury and property damage. Such coverage shall apply to all vehicles and persons, whether accessing the property with active or passive consent.

(c) Commercial Property insurance covering property damage to the full replacement cost value and business interruption. Covered property shall include all tenant improvements in the Premises (to the extent not insured by Landlord pursuant to Section 23.1) and Tenant's Property including personal property, furniture, fixtures, machinery, equipment, stock, inventory and improvements and betterments, which may be owned by Tenant or Landlord and required to be insured hereunder, or which may be leased, rented, borrowed or in the care custody or control of Tenant, or Tenant's agents, employees or subcontractors. Such insurance, with respect only to all Tenant Improvements, Alterations or other work performed on the Premises by Tenant (collectively, "Tenant Work"), shall name Landlord and Landlord's current and future mortgagees as loss payees as their interests may appear. Such insurance shall be written on an "all risk" of physical loss or damage basis including the perils of fire, extended coverage, electrical injury, mechanical breakdown, windstorm, vandalism, malicious mischief, sprinkler leakage, back-up of sewers or drains, terrorism and such other risks Landlord may from time to time designate, for the full replacement cost value of the covered items with an agreed amount endorsement with no co-insurance. Business interruption coverage shall have limits sufficient to cover Tenant's lost profits and necessary continuing expenses, including rents due Landlord under the Lease. The minimum period of indemnity for business interruption coverage shall be twelve (12) months.

(d) Workers' Compensation in compliance with all Applicable Laws or as may be available on a voluntary basis. Employer's Liability must be at least in the amount of \$1,000,000 for bodily injury by accident for each employee, \$1,000,000 for bodily injury by disease for each employee, and \$1,000,000 bodily injury by disease for policy limit.

(e) Intentionally Omitted.

(f) Pollution Legal Liability insurance is required if Tenant stores, handles, generates or treats Hazardous Materials, as determined solely by Landlord, on or about the Premises. Such coverage shall include bodily injury, sickness, disease, death or mental anguish or shock sustained by any person; property damage including physical injury to or destruction of tangible property including the resulting loss of use thereof, clean-up costs, and the loss of use of tangible property that has not been physically injured or destroyed; and defense costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such compensatory damages. Coverage shall apply to both sudden and non-sudden pollution conditions including the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water. Claims-made coverage is permitted, provided the policy retroactive date is continuously maintained prior to the commencement date of this agreement, and coverage is continuously maintained during all periods in which Tenant occupies the Premises. Coverage shall be maintained with limits of not less than \$1,000,000 per incident with a \$2,000,000 policy aggregate and for a period of two (2) years thereafter. Notwithstanding the foregoing, Landlord has agreed to waive the Pollution Legal Liability insurance based upon Tenant's representations as of the Effective Date regarding the types and quantities of Hazardous Materials anticipated at the Premises. Landlord reserves the right to reinstate the Pollution Legal Liability insurance requirements set forth above in the event the types of Hazardous Materials used by Tenant in the Premises change or the quantities increase (by more than a de minimis amount) during the Term.

(g) Umbrella/Excess Liability: Tenant shall carry Umbrella Liability insurance and/or Excess Liability insurance that must follow form with underlying liability policies or be at least as broad as underlying liability policies required herein. Tenant shall maintain limits of not less than \$5,000,000 per occurrence and in the aggregate.

(h) During all construction by Tenant at the Premises, with respect to tenant improvements being constructed (including the Tenant Improvements and any Alterations), insurance required in Exhibit B-1 must be in place.

23.4. The insurance required of Tenant by this Article shall be with companies at all times having a current rating of not less than A- and financial category rating of at least Class VII in "A.M. Best's Insurance Guide" current edition. Tenant shall obtain for Landlord from the insurance companies/broker or cause the insurance companies/broker to furnish certificates of insurance evidencing all coverages required herein to Landlord. No such policy shall be cancelable or subject to reduction of coverage or other modification or cancellation except after thirty (30) days' prior written notice to Landlord from Tenant (except in the event of non-payment of premium, in which case ten (10) days' written notice shall be given). All general liability policies shall be written as primary policies, not contributing with and not in excess of the coverage that Landlord may carry. Tenant's required general liability policies shall contain severability of interests clauses stating that, except with respect to limits of insurance, coverage shall apply separately to each insured or additional insured. Tenant shall, on or prior to the date of expiration of such policies, furnish Landlord with renewal certificates of insurance or binders. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but



shall not be required to) procure such insurance on Tenant's behalf and at its cost to be paid by Tenant as Additional Rent. Commercial General Liability, Commercial Automobile Liability, Umbrella Liability and Pollution Legal Liability insurance as required above shall name the Landlord Parties as additional insureds as respects liability arising from work or operations performed by or on behalf of Tenant, Tenant's use or occupancy of Premises, and ownership, maintenance or use of vehicles by or on behalf of Tenant.

23.5. In each instance where insurance is to name Landlord Parties as additional insureds, Tenant shall, upon Landlord's written request, also designate and furnish certificates evidencing such Landlord Parties as additional insureds to (a) any Lender of Landlord holding a security interest in the Building or the Project, (b) the landlord under any lease whereunder Landlord is a tenant of the real property upon which the Building is located if the interest of Landlord is or shall become that of a tenant under a ground lease rather than that of a fee owner and (c) any management company retained by Landlord to manage the Project.

23.6. Tenant assumes the risk of damage to any fixtures, goods, inventory, merchandise, equipment and leasehold improvements, and Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom, relative to such damage, all as more particularly set forth within this Lease. Tenant shall, at Tenant's sole cost and expense, carry such insurance as Tenant desires for Tenant's protection with respect to personal property of Tenant or business interruption.

23.7. Notwithstanding anything to the contrary in this Lease but subject to the last sentence of this [Section 23.7](#), Landlord and Tenant hereby waive any rights of subrogation each may have against the other on account of any loss or damage that is caused or results from a risk which is actually insured against, which is required to be insured against under this Lease, or which would normally be covered by a property insurance policy equivalent to "all risk" or "special form" policies, regardless of whether such loss or damage is due to the negligence of Landlord or Tenant or of their respective agents, employees, subtenants, contractors, assignees, invitees or any other cause. Each party shall obtain from their respective property insurance companies a waiver of any right of subrogation that such insurance company may have against Landlord or Tenant, as the case may be. If such property insurance policy cannot be obtained with such waiver of subrogation, or if such waiver of subrogation is only available at additional cost and the party for whose benefit the waiver is not obtained does not pay such additional cost, then the party obtaining such property insurance shall immediately notify the other party of that fact. Notwithstanding anything in this [Section 23.7](#), the foregoing release and waiver shall not apply to any loss or damage that is caused or results from a party's negligence or willful misconduct.

23.8. Landlord may require insurance policy limits required under this Lease to be raised to conform with requirements of Landlord's Lender or to bring coverage limits to levels then being required of new tenants within the Project.

23.9. Any costs incurred by Landlord pursuant to this Article shall constitute a portion of Operating Expenses.

23.10. The provisions of this Article shall survive the expiration or earlier termination of this Lease.

24. Damage or Destruction.

24.1. In the event of a partial destruction of (a) the Premises, (b) the Building, (c) the Common Area or (d) the Project ((a)-(d) collectively, the "Affected Areas") by fire or other perils covered by extended coverage insurance not exceeding twenty-five percent (25%) of the full insurable value thereof, and provided that (w) the damage thereto is such that the Affected Areas may be repaired, reconstructed or restored within a period of six (6) months from the date of the happening of such casualty, (x) Landlord shall receive insurance proceeds from its insurer or Lender sufficient to cover the cost of such repairs, reconstruction and restoration (except for any deductible amount provided by Landlord's policy, which deductible amount, if paid by Landlord, shall constitute an Operating Expense), (y) the repair, reconstruction or restoration of the Affected Areas is permitted by all applicable Loan Documents or otherwise consented to by any and all Lenders whose consent is required thereunder and (z) such casualty was not intentionally caused by a Tenant Party, then Landlord shall commence and proceed diligently with the work of repair, reconstruction and restoration of the Affected Areas and this Lease shall continue in full force and effect.

24.2. In the event of any damage to or destruction of the Building or the Project other than as described in Section 24.1, Landlord may elect to repair, reconstruct and restore the Building or the Project, as applicable, in which case this Lease shall continue in full force and effect. If Landlord elects not to repair, reconstruct and restore the Building or the Project, as applicable, then this Lease shall terminate as of the date of such damage or destruction. In the event of any damage or destruction (regardless of whether such damage is governed by Section 24.1 or this Section), if (a) in Landlord's determination as set forth in the Damage Repair Estimate (as defined below), the Affected Areas cannot be repaired, reconstructed or restored within twelve (12) months after the date of the Damage Repair Estimate, (b) subject to Section 24.6, the Affected Areas are not actually repaired, reconstructed and restored within eighteen (18) months after the date of the Damage Repair Estimate, or (c) the damage and destruction occurs within the last twelve (12) months of the then-current Term, then Tenant shall have the right to terminate this Lease, effective as of the date of such damage or destruction, by delivering to Landlord its written notice of termination (a "Termination Notice") (y) with respect to Subsections 24.2(a) and (c), no later than fifteen (15) days after Landlord delivers to Tenant Landlord's Damage Repair Estimate and (z) with respect to Subsection 24.2(b), no later than fifteen (15) days after such twelve (12) month period (as the same may be extended pursuant to Section 24.6) expires. If Tenant provides Landlord with a Termination Notice pursuant to Subsection 24.2(z), Landlord shall have an additional thirty (30) days after receipt of such Termination Notice to complete the repair, reconstruction and restoration. If Landlord does not complete such repair, reconstruction and restoration within such thirty (30) day period, then Tenant may terminate this Lease by giving Landlord written notice within two (2) business days after the expiration of such thirty (30) day period. If Landlord does complete such repair, reconstruction and restoration within such thirty (30) day period, then this Lease shall continue in full force and effect.

24.3. As soon as reasonably practicable, but in any event within sixty (60) days following the date of damage or destruction, Landlord shall notify Tenant of Landlord's good faith estimate of the period of time in which the repairs, reconstruction and restoration will be completed (the "Damage Repair Estimate"), which estimate shall be based upon the opinion of a contractor reasonably selected by Landlord and experienced in comparable repair, reconstruction and restoration of similar buildings. Additionally, Landlord shall give written notice to Tenant within sixty (60) days following the date of damage or destruction of its election not to repair, reconstruct or restore the Building or the Project, as applicable.

24.4. Upon any termination of this Lease under any of the provisions of this Article, the parties shall be released thereby without further obligation to the other from the date possession of the Premises is surrendered to Landlord, except with regard to (a) items occurring prior to the damage or destruction and (b) provisions of this Lease that, by their express terms, survive the expiration or earlier termination hereof.

24.5. In the event of repair, reconstruction and restoration as provided in this Article, all Rent to be paid by Tenant under this Lease shall be abated proportionately from the date of the casualty based on the extent to which Tenant's use of the Premises is impaired during the period of such repair, reconstruction or restoration, unless Landlord provides Tenant with other space during the period of repair, reconstruction and restoration that, in Tenant's reasonable opinion, is suitable for the temporary conduct of Tenant's business; provided, however, that the amount of such abatement shall be reduced by the amount of Rent that is received by Tenant as part of the business interruption or loss of rental income with respect to the Premises from the proceeds of business interruption or loss of rental income insurance.

24.6. Notwithstanding anything to the contrary contained in this Article, (a) Landlord shall not be required to repair, reconstruct or restore any damage or destruction to the extent that Landlord is prohibited from doing so by any applicable Loan Document or any Lender whose consent is required thereunder withholds its consent, and (b) should Landlord be delayed or prevented from completing the repair, reconstruction or restoration of the damage or destruction to the Premises after the occurrence of such damage or destruction by Force Majeure or delays caused by a Lender or Tenant Party, then the time for Landlord to commence or complete repairs, reconstruction and restoration shall be extended on a day-for-day basis; provided, however, that, at Landlord's election, Landlord shall be relieved of its obligation to make such repairs, reconstruction and restoration. In the event Landlord elects not to complete such repair, reconstruction or restoration due to such Force Majeure, or in the event Lender does not consent to Landlord's use of the insurance proceeds for such repairs, reconstruction or restoration and Landlord elects not to complete such repairs, reconstruction or restoration, then this Lease shall automatically terminate except with respect to those provisions which survive such termination. For purposes of clarity, an extension of any such repair, reconstruction or restoration due to Force Majeure shall not trigger the foregoing termination provision unless Landlord has notified Tenant in writing that it is electing not to complete such repair, reconstruction or restoration on account of such Force Majeure.

24.7. If Landlord is obligated to or elects to repair, reconstruct or restore as herein provided, then Landlord shall be obligated to make such repairs, reconstruction or restoration only with regard to (a) those portions of the Premises that were originally provided as of the Term Commencement Date and (b) the Common Area portion of the Affected Areas. The repairs, reconstruction or restoration of improvements not originally provided by Landlord or at Landlord's expense shall be the obligation of Tenant. In the event Tenant has elected to upgrade certain improvements from the Building Standard, Landlord shall, upon the need for replacement due to an insured loss, provide only the Building Standard, unless Tenant again elects to upgrade such improvements and pay any incremental costs related thereto, except to the extent that excess insurance proceeds, if received, are adequate to provide such upgrades, in addition to providing for basic repairs, reconstruction and restoration of the Premises, the Building and the Project.

24.8. Notwithstanding anything to the contrary contained in this Article, Landlord shall not have any obligation whatsoever to repair, reconstruct or restore the Premises if the damage resulting from any casualty covered under this Article occurs during the last twenty-four (24) months of the Term or any extension thereof, or to the extent that insurance proceeds are not available therefor.

24.9. Landlord's obligation, should it elect or be obligated to repair, reconstruct or restore, shall be limited to the Affected Areas, and shall be conditioned upon Landlord receiving any permits or authorizations required by Applicable Laws. Tenant shall, at its expense, replace or fully repair all of Tenant's personal property and any Alterations installed by Tenant existing at the time of such damage or destruction. If Affected Areas are to be repaired, reconstructed or restored in accordance with the foregoing, Landlord shall make available to Tenant any portion of insurance proceeds it receives that are allocable to the Alterations constructed by Tenant pursuant to this Lease; provided Tenant is not then in default under this Lease, and subject to the requirements of any Lender of Landlord.

24.10. This Article sets forth the terms and conditions upon which this Lease may terminate in the event of any damage or destruction. Accordingly, the parties hereby waive the provisions of any Applicable Laws (and any successor statutes) permitting the parties to terminate this Lease as a result of any damage or destruction.

25. **Eminent Domain.**

25.1. In the event (a) the whole of all Affected Areas or (b) such part thereof as shall substantially interfere with Tenant's use and occupancy of the Premises for the Permitted Use shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold to prevent such taking, Tenant or Landlord may terminate this Lease effective as of the date possession is required to be surrendered to such authority, except with regard to (y) items occurring prior to the taking and (z) provisions of this Lease that, by their express terms, survive the expiration or earlier termination hereof.

25.2. In the event of a partial taking of (a) the Building or the Project or (b) drives, walkways or parking areas serving the Building or the Project for any public or quasi-public purpose by any lawful power or authority by exercise of right of appropriation, condemnation, or eminent domain, or sold to prevent such taking, then, without regard to whether any portion of the Premises occupied by Tenant was so taken, Landlord may elect to terminate this Lease (except with regard to (a) items occurring prior to the taking and (b) provisions of this Lease that, by their express terms, survive the expiration or earlier termination hereof) as of such taking if such taking is, in Landlord's sole opinion, of a material nature such as to make it uneconomical to continue use of the unappropriated portion for purposes of renting office or laboratory space.

25.3. Tenant shall be entitled to any award that is specifically awarded as compensation for (a) the taking of Tenant's personal property that was installed at Tenant's expense and (b) the costs of Tenant moving to a new location. Except as set forth in the previous sentence, any award for such taking shall be the property of Landlord.

25.4. If, upon any taking of the nature described in this Article, this Lease continues in effect, then Landlord shall promptly proceed to restore the Affected Areas to substantially their same condition prior to such partial taking. To the extent such restoration is infeasible, as determined by Landlord in its sole and absolute discretion, the Rent shall be decreased proportionately to reflect the loss of any portion of the Premises no longer available to Tenant. Notwithstanding anything to the contrary contained in this Article, Landlord shall not be required to restore the Affected Areas to the extent that Landlord is prohibited from doing so by any applicable Loan Document or any Lender whose consent is required thereunder withholds its consent.

25.5. This Article sets forth the terms and conditions upon which this Lease may terminate in the event of any taking. Accordingly, the parties hereby waive the provisions of any Applicable Laws (and any successor statutes) permitting the parties to terminate this Lease as a result of any damage or destruction.

26. Surrender.

26.1. At least thirty (30) days prior to Tenant's surrender of possession of any part of the Premises, Tenant shall provide Landlord with a facility decommissioning and Hazardous Materials closure plan for the Premises ("Exit Survey") prepared by an independent third party Certified Industrial Hygienist, CIH, with appropriate expertise, which Exit Survey must be reasonably acceptable to Landlord. The Exit Survey shall comply with the American National Standards Institute's Laboratory Decommissioning guidelines (ANSI/AIHA Z9.11-2008) or any successor standards published by ANSI or any successor organization (or, if ANSI and its successors no longer exist, a similar entity publishing similar standards). In addition, at least ten (10) days prior to Tenant's surrender of possession of any part of the Premises, Tenant shall (a) provide Landlord with written evidence of all appropriate governmental releases obtained by Tenant in accordance with Applicable Laws, including laws pertaining to the surrender of the Premises, (b) place Laboratory Equipment Decontamination Forms on all decommissioned equipment to assure safe occupancy by future users and (c) conduct a site inspection with Landlord. In addition, Tenant agrees to remain responsible after the surrender of the Premises for

the remediation of any recognized environmental conditions set forth in the Exit Survey and comply with any recommendations set forth in the Exit Survey. Tenant's obligations under this Section shall survive the expiration or earlier termination of the Lease.

26.2. No surrender of possession of any part of the Premises shall release Tenant from any of its obligations hereunder, unless such surrender is accepted in writing by Landlord.

26.3. The voluntary or other surrender of this Lease by Tenant shall not effect a merger with Landlord's fee title or leasehold interest in the Premises, the Building, the Property or the Project, unless Landlord consents in writing, and shall, at Landlord's option, operate as an assignment to Landlord of any or all subleases.

26.4. The voluntary or other surrender of any ground or other underlying lease that now exists or may hereafter be executed affecting the Building or the Project, or a mutual cancellation thereof or of Landlord's interest therein by Landlord and its lessor shall not effect a merger with Landlord's fee title or leasehold interest in the Premises, the Building or the Property and shall, at the option of the successor to Landlord's interest in the Building or the Project, as applicable, operate as an assignment of this Lease.

27. Holding Over.

27.1. If, with Landlord's prior written consent, Tenant holds possession of all or any part of the Premises after the Term, Tenant shall become a tenant from month to month after the expiration or earlier termination of the Term, and in such case Tenant shall continue to pay (a) Base Rent in accordance with Article 7, as adjusted in accordance with Article 8, and (b) any amounts for which Tenant would otherwise be liable under this Lease if the Lease were still in effect, including payments for Tenant's Adjusted Share of Operating Expenses. Any such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein.

27.2. Notwithstanding the foregoing, if Tenant remains in possession of the Premises after the expiration or earlier termination of the Term without Landlord's prior written consent, (a) Tenant shall become a tenant at sufferance subject to the terms and conditions of this Lease, except that the monthly rent shall be equal to one hundred fifty percent (150%) of the Rent in effect during the last thirty (30) days of the Term, and (b) if such holdover persists after the earlier of (i) thirty (30) days after the expiration or earlier termination of the Term and (ii) the date Landlord notifies Tenant that Landlord has procured a tenant that is ready, willing and able to sign a lease for the Premises (or a portion thereof), Tenant shall be liable to Landlord for any and all damages suffered by Landlord as a result of such holdover, including any lost rent or consequential, special and indirect damages (in each case, regardless of whether such damages are foreseeable).

27.3. Acceptance by Landlord of Rent after the expiration or earlier termination of the Term shall not result in an extension, renewal or reinstatement of this Lease.

27.4. The foregoing provisions of this Article are in addition to and do not affect Landlord's right of reentry or any other rights of Landlord hereunder or as otherwise provided by Applicable Laws.

27.5. The provisions of this Article shall survive the expiration or earlier termination of this Lease.

28. Indemnification and Exculpation.

28.1. Tenant agrees to Indemnify the Landlord Indemnitees from and against any and all Claims of any kind or nature, real or alleged, arising from (a) injury to or death of any person or damage to any property occurring within or about the Premises, the Building, the Property or the Project, arising directly or indirectly out of (i) the presence at or use or occupancy of the Premises or Project by a Tenant Party or (ii) an act or omission on the part of any Tenant Party, (b) a breach or default by Tenant in the performance of any of its obligations hereunder or (c) injury to or death of persons or damage to or loss of any property, real or alleged, arising from the serving of alcoholic beverages at the Premises or Project, including liability under any dram shop law, host liquor law or similar Applicable Law, except to the extent arising directly from Landlord's negligence or willful misconduct. Tenant's obligations under this Section shall not be affected, reduced or limited by any limitation on the amount or type of damages, compensation or benefits payable by or for Tenant under workers' compensation acts, disability benefit acts, employee benefit acts or similar legislation. Tenant's obligations under this Section shall survive the expiration or earlier termination of this Lease. Subject to Sections 23.6 and 28.2, and any subrogation provisions contained in the Work Letter, Landlord agrees to Indemnify the Tenant Parties from and against any and all Claims arising from injury to or death of any person or damage to or loss of any physical property occurring within or about the Premises, the Building, the Property or the Project to the extent arising directly from Landlord's gross negligence or willful misconduct.

28.2. Notwithstanding anything in this Lease to the contrary, Landlord shall not be liable to Tenant for and Tenant assumes all risk of (a) damage or losses arising from fire, electrical malfunction, gas explosion or water damage of any type (including broken water lines, malfunctioning fire sprinkler systems, roof leaks or stoppages of lines), unless any such loss is due to Landlord's willful disregard of written notice by Tenant of need for a repair that Landlord is responsible to make for an unreasonable period of time, and (b) damage to personal property or scientific research, including loss of records kept by Tenant within the Premises (in each case, regardless of whether such damages are foreseeable). Tenant further waives any claim for injury to Tenant's business or loss of income relating to any such damage or destruction of personal property as described in this Section. Notwithstanding anything in the foregoing or this Lease to the contrary, except (x) as otherwise provided herein (including Section 27.2), (y) as may be provided by Applicable Laws or (z) in the event of Tenant's breach of Article 21 or Section 26.1, in no event shall Landlord or Tenant be liable to the other for any consequential, special or indirect damages arising from this Lease, including lost profits (provided that this Subsection 28.2(z), shall not limit Tenant's liability for Base Rent or Additional Rent pursuant to this Lease).

28.3. Landlord shall not be liable for any damages arising from any act, omission or neglect of any other tenant in the Building or the Project, or of any other third party.

28.4. Tenant acknowledges that security devices and services, if any, while intended to deter crime, may not in given instances prevent theft or other criminal acts. Landlord shall not be liable for injuries or losses arising from criminal acts of third parties, and Tenant assumes the risk that any security device or service may malfunction or otherwise be circumvented by a criminal. If Tenant desires protection against such criminal acts, then Tenant shall, at Tenant's sole cost and expense, obtain appropriate insurance coverage. Tenant's security programs and equipment for the Premises shall be coordinated with Landlord and subject to Landlord's reasonable approval. Tenant's security programs and equipment for the Premises shall be coordinated with Landlord and subject to Landlord's reasonable approval.

28.5. The provisions of this Article shall survive the expiration or earlier termination of this Lease.

29. Assignment or Subletting.

29.1. Except as hereinafter expressly permitted, none of the following (each, a "Transfer"), either voluntarily or by operation of Applicable Laws, shall be directly or indirectly performed without Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed: (a) Tenant selling, hypothecating, assigning, pledging, encumbering or otherwise transferring its interest in this Lease or subletting all or a portion of the Premises, (b) a controlling interest in Tenant being sold, assigned or otherwise transferred (other than as a result of shares in Tenant being sold on a public stock exchange), or (c) the sale of all or substantially all of its assets. For purposes of the preceding sentence, "control" means (f) owning (directly or indirectly) more than fifty percent (50%) of the stock or other equity interests of another person or (g) possessing, directly or indirectly, the power to direct or cause the direction of the management and policies of such person. Notwithstanding the foregoing, Tenant shall have the right to Transfer, without Landlord's prior written consent, Tenant's interest in this Lease or the Premises or any part thereof to (i) any person that as of the date of determination and at all times thereafter directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with Tenant ("Tenant's Affiliate"), (ii) any person or entity with which Tenant is merged or to which all or substantially all of Tenant's assets or all or substantially all of the ownership interests in Tenant are sold, or (iii) any person or entity which is a successor-in-interest to Tenant by way of spin-off or consolidation; provided that Tenant shall notify Landlord in writing at least thirty (30) days prior to the effectiveness of such Transfer to the extent not prohibited by Applicable Laws or any applicable transaction documents (an "Exempt Transfer") and otherwise comply with the requirements of this Lease regarding such Transfer; and provided, further, that the person that will be the tenant under this Lease after the Exempt Transfer pursuant to (ii) and (iii) above has a net worth (as of both the day immediately prior to and the day immediately after the Exempt Transfer) that is equal to or greater than the net worth (as of the Term Commencement Date) of the transferring Tenant. For purposes of the immediately preceding sentence, "control" requires both (m) owning (directly or indirectly) more than fifty percent (50%) of the stock or other equity interests of another person and (n) possessing, directly



or indirectly, the power to direct or cause the direction of the management and policies of such person. Provided Landlord has comparable space to the Premises at the Building then available, Tenant shall not perform a Transfer (other than an Exempt Transfer) to or with an entity that is a tenant at the Project or that is then in active discussions or negotiations with Landlord or an affiliate of Landlord to lease premises at the Project or a property in Cambridge, Massachusetts owned by Landlord or an affiliate of Landlord.

29.2. In the event Tenant desires to effect a Transfer (other than an Exempt Transfer), then, at least thirty (30) but not more than ninety (90) days prior to the date when Tenant desires the Transfer to be effective (the "Transfer Date"), Tenant shall provide written notice to Landlord (the "Transfer Notice") containing information (including references) concerning the character of the proposed transferee, assignee or sublessee; the Transfer Date; the most recent unconsolidated financial statements of Tenant and of the proposed transferee, assignee or sublessee satisfying the requirements of Section 40.2 ("Required Financials"); any ownership or commercial relationship between Tenant and the proposed transferee, assignee or sublessee; copies of Hazardous Materials Documents for the proposed transferee, assignee or sublessee; and the consideration and all other material terms and conditions of the proposed Transfer, all in such detail as Landlord shall reasonably require.

29.3. Landlord, in determining whether consent should be given to a proposed Transfer, may give consideration to such factors as Landlord reasonably deems material, including (a) the financial strength of Tenant and of such transferee, assignee or sublessee (notwithstanding Tenant remaining liable for Tenant's performance), (b) any change in use that such transferee, assignee or sublessee proposes to make in the use of the Premises and (c) Landlord's desire to exercise its rights under Section 29.7 to cancel this Lease. In no event shall Landlord be deemed to be unreasonable for declining to consent to a Transfer if any applicable Loan Document prohibits such assignment or any Lender whose consent is required thereunder withholds its consent, or if the Transfer is to a transferee, assignee or sublessee of poor reputation, lacking financial qualifications or seeking a change in the Permitted Use, or jeopardizing directly or indirectly the status of Landlord or any of Landlord's affiliates as a Real Estate Investment Trust under the Internal Revenue Code of 1986 (as the same may be amended from time to time, the "Revenue Code"). Notwithstanding anything contained in this Lease to the contrary, (w) no Transfer shall be consummated on any basis such that the rental or other amounts to be paid by the occupant, assignee, manager or other transferee thereunder would be based, in whole or in part, on the income or profits derived by the business activities of such occupant, assignee, manager or other transferee; (x) Tenant shall not furnish or render any services to an occupant, assignee, manager or other transferee with respect to whom transfer consideration is required to be paid, or manage or operate the Premises or any capital additions so transferred, with respect to which transfer consideration is being paid; (y) Tenant shall not consummate a Transfer with any person in which Landlord owns an interest, directly or indirectly (by applying constructive ownership rules set forth in Section 856(d)(5) of the Revenue Code); and (z) Tenant shall not consummate a Transfer with any person or in any manner that could cause any portion of the amounts received by Landlord pursuant to this Lease or any sublease, license or other arrangement for the right to use, occupy or possess any portion of the Premises to fail to qualify as "rents from real property" within the meaning of Section 856(d) of the Revenue Code, or any

similar or successor provision thereto or which could cause any other income of Landlord to fail to qualify as income described in Section 856(c)(2) of the Revenue Code. Notwithstanding anything in this Lease to the contrary, if (a) Tenant or any proposed transferee, assignee or sublessee of Tenant has been required by any prior landlord, Lender or Governmental Authority to take material remedial action in connection with Hazardous Materials contaminating a property if the contamination resulted from such party's action or omission or use of the property in question or (b) Tenant or any proposed transferee, assignee or sublessee is subject to a material enforcement order issued by any Governmental Authority in connection with the use, disposal or storage of Hazardous Materials, then Landlord shall have the right to terminate this Lease in Landlord's sole and absolute discretion (with respect to any such matter involving Tenant), and it shall not be unreasonable for Landlord to withhold its consent to any proposed transfer, assignment or subletting (with respect to any such matter involving a proposed transferee, assignee or sublessee).

29.4. The following are conditions precedent to a Transfer or to Landlord considering a request by Tenant to a Transfer:

- (a) Tenant shall remain fully liable under this Lease. Tenant agrees that it shall not be (and shall not be deemed to be) a guarantor or surety of this Lease, however, and waives its right to claim that it is a guarantor or surety or to raise in any legal proceeding any guarantor or surety defenses permitted by this Lease or by Applicable Laws;
- (b) If Tenant or the proposed transferee, assignee or sublessee does not or cannot deliver the Required Financials, then Landlord may elect to have either Tenant's ultimate parent company or the proposed transferee's, assignee's or sublessee's ultimate parent company provide a guaranty of the applicable entity's obligations under this Lease, in a form acceptable to Landlord, which guaranty shall be executed and delivered to Landlord by the applicable guarantor prior to the Transfer Date;
- (c) In the case of an Exempt Transfer, Tenant shall provide Landlord with evidence reasonably satisfactory to Landlord that the Transfer qualifies as an Exempt Transfer;
- (d) Tenant shall provide Landlord with evidence reasonably satisfactory to Landlord that the value of Landlord's interest under this Lease shall not be diminished or reduced by the proposed Transfer. Such evidence shall include evidence respecting the relevant business experience and financial responsibility and status of the proposed transferee, assignee or sublessee;
- (e) Tenant shall reimburse Landlord for Landlord's actual costs and expenses, including reasonable third party out of pocket attorneys' fees, charges and disbursements incurred in connection with the review, processing and documentation of such request, up to a maximum amount of \$5,000;
- (f) Except with respect to an Exempt Transfer, if Tenant's transfer of rights or sharing of the Premises provides for the receipt by, on behalf of or on account of Tenant of any consideration of any kind whatsoever (including a premium rental for a sublease or lump sum

payment for an assignment, but excluding Tenant's reasonable costs in marketing and subleasing the Premises) in excess of the rental and other charges due to Landlord under this Lease, Tenant shall pay fifty percent (50%) of all of such excess to Landlord, after making deductions for all reasonable and customary transaction costs including, but not limited to, any reasonable marketing expenses, tenant improvement funds expended by Tenant, alterations, cash concessions, brokerage commissions, attorneys' fees and free rent actually paid by Tenant. If such consideration consists of cash paid to Tenant, payment to Landlord shall be made upon receipt by Tenant of such cash payment;

(g) The proposed transferee, assignee or sublessee shall agree that, in the event Landlord gives such proposed transferee, assignee or sublessee notice that Tenant is in default under this Lease, such proposed transferee, assignee or sublessee shall thereafter make all payments otherwise due Tenant directly to Landlord, which payments shall be received by Landlord without any liability being incurred by Landlord, except to credit such payment against those due by Tenant under this Lease, and any such proposed transferee, assignee or sublessee shall agree to attorn to Landlord or its successors and assigns should this Lease be terminated for any reason; provided, however, that in no event shall Landlord or its Lenders, successors or assigns be obligated to accept such attornment;

(h) Landlord's consent to any such Transfer (other than an Exempt Transfer, which does not require Landlord's consent) shall be effected on Landlord's forms;

(i) Tenant shall not then be in default of any monetary obligation or any material non-monetary obligation hereunder in any respect;

(j) Such proposed transferee, assignee or sublessee's use of the Premises shall be limited to the Permitted Use;

(k) Landlord shall not be bound by any provision of any agreement pertaining to the Transfer, except for Landlord's written consent to the same;

(l) Tenant shall pay all transfer and other taxes (including interest and penalties) assessed or payable for any Transfer;

(m) Landlord's consent (or waiver of its rights) for any Transfer shall not waive Landlord's right to consent or refuse consent to any later Transfer;

(n) Tenant shall deliver to Landlord one executed copy of any and all written instruments evidencing or relating to the Transfer; and

(o) Tenant shall deliver to Landlord a list of Hazardous Materials (as defined below), certified by the proposed transferee, assignee or sublessee to be true and correct, that the proposed transferee, assignee or sublessee intends to use or store in the Premises. Additionally, Tenant shall deliver to Landlord, on or before the date any proposed transferee, assignee or sublessee takes occupancy of the Premises, all of the items relating to Hazardous Materials of such proposed transferee, assignee or sublessee as described in Section 21.2.

29.5. Any Transfer that is not in compliance with the provisions of this Article or with respect to which Tenant does not fulfill its obligations pursuant to this Article (a) shall be voidable by Landlord (b) shall constitute a Default if not cured within five (5) business days, and (c) if not cured within the five (5) business day cure period provided in clause (b) of this Section 29.5. Landlord, at its option, may terminate this Lease, except for those provisions that, by their express terms, survive the expiration or earlier termination hereof.

29.6. Notwithstanding any Transfer, Tenant shall remain fully and primarily liable for the payment of all Rent and other sums due or to become due hereunder, and for the full performance of all other terms, conditions and covenants to be kept and performed by Tenant. The acceptance of Rent or any other sum due hereunder, or the acceptance of performance of any other term, covenant or condition thereof, from any person or entity other than Tenant shall not be deemed a waiver of any of the provisions of this Lease or a consent to any Transfer.

29.7. If Tenant delivers to Landlord (a) a Transfer Notice indicating a desire to assign this Lease to a proposed transferee (excluding any assignment constituting an Exempt Transfer), or (b) a notice indicating Tenant's intention to enter into a sublease or license agreement that would, in the aggregate with all other then-current subleases and licenses, cause more than fifty percent (50%) of the Rentable Area of the Premises to be licensed or subleased (excluding any subleases and licenses that constitute Exempt Transfers), or commence marketing the Premises or a portion thereof in connection with such a sublease or license (an "Intent to Sublease Notice"), then Landlord shall have the option, exercisable by giving notice to Tenant within thirty (30) days after Landlord's receipt of the Transfer Notice or Intent to Sublease Notice, as applicable, to terminate this Lease (i) as of the date specified in the Transfer Notice as the Transfer Date (with respect to subsection (a) hereof), or (ii) on the fifth (5<sup>th</sup>) day following the date of Landlord's notice (with respect to subsection (b) hereof), except for those provisions that, by their express terms, survive the expiration or earlier termination hereof. If Landlord exercises such option, then Tenant shall have the right to withdraw such Transfer Notice or Intent to Sublease Notice, as applicable, by delivering to Landlord written notice of such election within five (5) days after Landlord's delivery of notice electing to exercise Landlord's option to terminate this Lease. In the event Tenant withdraws the Transfer Notice or Intent to Sublease Notice, as applicable, as provided in this Section, this Lease shall continue in full force and effect. Tenant's Intent to Sublease Notice shall include the proposed square footage, rental rate and term for the sublease or license. No failure of Landlord to exercise its option to terminate this Lease shall be deemed to be Landlord's consent to a proposed Transfer.

29.8. If Tenant sublets the Premises or any portion 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 appoints Landlord as assignee and attorney-in-fact for Tenant, and Landlord (or a receiver for Tenant appointed on Landlord's application) may collect such rent and apply it toward Tenant's obligations under this Lease; provided that, until the occurrence of a Default (as defined below) by Tenant, Tenant shall have the right to collect such rent.

29.9. In the event that Tenant enters into a sublease for the entire Premises in accordance with this Article that expires within two (2) days of the Term Expiration Date, the term expiration date of such sublease shall, notwithstanding anything in this Lease, the sublease or any consent to the sublease to the contrary, be deemed to be the date that is two (2) days prior to the Term Expiration Date.

30. Subordination and Attornment.

30.1. This Lease shall be subject and subordinate to the lien of any mortgage, deed of trust, or lease in which Landlord is tenant now or hereafter in force against the Building or the Project and to all advances made or hereafter to be made upon the security thereof without the necessity of the execution and delivery of any further instruments on the part of Tenant to effectuate such subordination.

30.2. Notwithstanding the foregoing, Tenant shall execute and deliver upon demand such further instrument or instruments evidencing such subordination of this Lease to the lien of any such mortgage or mortgages or deeds of trust or lease in which Landlord is tenant as may be required by Landlord. If any Lender so elects, however, this Lease shall be deemed prior in lien to any such lease, mortgage, or deed of trust upon or including the Premises regardless of date and Tenant shall execute a statement in writing to such effect at Landlord's request. If Tenant fails to execute any document required from Tenant under this Section within ten (10) days after written request therefor, it shall be a default hereunder, subject to applicable notice and cure periods. Landlord shall use commercially reasonable efforts to obtain a subordination and attornment agreement ("S~~N~~D~~A~~") from any Mortgagee on such Mortgagee's customary form, and Landlord shall use reasonable efforts to have such form modified by Tenant's commercially reasonable comments. For the avoidance of doubt, "Lenders" shall also include historic tax credit investors and new market tax credit investors.

30.3. Upon written request of Landlord and opportunity for Tenant to review, Tenant agrees to execute any reasonable Lease amendments not materially altering the terms of this Lease or materially increasing any obligations of Tenant hereunder, if required by a Lender incident to the financing of the real property of which the Premises constitute a part.

30.4. In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by Landlord covering the Premises, Tenant shall at the election of the purchaser at such foreclosure or sale attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as Landlord under this Lease.

31. Defaults and Remedies.

31.1. Late payment by Tenant to Landlord of Rent and other sums due shall cause Landlord to incur costs not contemplated by this Lease, the exact amount of which shall be extremely difficult and impracticable to ascertain. Such costs include processing and accounting charges and late charges that may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Therefore, if any installment of Rent due from Tenant is not

received by Landlord within three (3) business days after the date such payment is due, Tenant shall pay to Landlord (a) an additional sum of six percent (6%) of the overdue Rent as a late charge plus (b) interest at an annual rate (the "Default Rate") equal to the lesser of (a) twelve percent (12%) and (b) the highest rate permitted by Applicable Laws; provided, however, Tenant shall not be assessed the late charge or interest on the first three (3) late payments in the initial Term. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord shall incur by reason of late payment by Tenant and shall be payable as Additional Rent to Landlord due with the next installment of Rent or within five (5) business days after Landlord's demand, whichever is earlier. Landlord's acceptance of any Additional Rent (including a late charge or any other amount hereunder) shall not be deemed an extension of the date that Rent is due or prevent Landlord from pursuing any other rights or remedies under this Lease, at law or in equity.

31.2. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent payment herein stipulated shall be deemed to be other than on account of the Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease or in equity or at law. If a dispute shall arise as to any amount or sum of money to be paid by Tenant to Landlord hereunder, Tenant shall have the right to make payment "under protest," such payment shall not be regarded as a voluntary payment, and there shall survive the right on the part of Tenant to institute suit for recovery of the payment paid under protest.

31.3. If Tenant fails to pay any sum of money required to be paid by it hereunder or perform any other act on its part to be performed hereunder, in each case within the applicable cure period (if any) described in Section 31.4, then Landlord may (but shall not be obligated to), without waiving or releasing Tenant from any obligations of Tenant, make such payment or perform such act; provided that such failure by Tenant unreasonably interfered with the use of the Building or the Project by any other tenant or with the efficient operation of the Building or the Project, or resulted or could have resulted in a violation of Applicable Laws or the cancellation of an insurance policy maintained by Landlord. Notwithstanding the foregoing, in the event of an emergency, Landlord shall have the right to enter the Premises and act in accordance with its rights as provided elsewhere in this Lease. In addition to the late charge described in Section 31.1, Tenant shall pay to Landlord as Additional Rent all sums so paid or incurred by Landlord, together with interest at the Default Rate, computed from the date such sums were paid or incurred.

31.4. The occurrence of any one or more of the following events shall constitute a "Default" hereunder by Tenant:

(a) Tenant abandons the Premises (it being understood and agreed that vacancy of the Premises shall not be construed as abandonment so long as all of Tenant's other obligations under this Lease, including payment of Rent and all other sums owing to Landlord,

continue to be timely performed and, additionally, reasonable measures are taken by Tenant to manage the vacant space);

(b) Tenant fails to make any payment of Rent, as and when due, or to satisfy its obligations under Article 19, where such failure shall continue for a period of five (5) days after written notice thereof from Landlord to Tenant;

(c) Tenant fails to observe or perform any obligation or covenant contained herein (other than described in Sections 31.4(a)) to be performed by Tenant, where such failure continues for a period of thirty (30) days after written notice thereof from Landlord to Tenant; provided that, if the nature of Tenant's default is such that it reasonably requires more than thirty (30) days to cure, Tenant shall not be deemed to be in Default if Tenant commences such cure within such thirty (30) day period and thereafter diligently prosecutes the same to completion; and provided, further, that such cure is completed no later than sixty (60) days after Tenant's receipt of written notice from Landlord;

(d) Tenant makes an assignment for the benefit of creditors;

(e) A receiver, trustee or custodian is appointed to or does take title, possession or control of all or substantially all of Tenant's assets;

(f) Tenant files a voluntary petition under the United States Bankruptcy Code or any successor statute (as the same may be amended from time to time, the "Bankruptcy Code") or an order for relief is entered against Tenant pursuant to a voluntary or involuntary proceeding commenced under any chapter of the Bankruptcy Code;

(g) Any involuntary petition is filed against Tenant under any chapter of the Bankruptcy Code and is not dismissed within one hundred twenty (120) days;

(h) Tenant fails to deliver an estoppel certificate in accordance with Article 20, and such failure persists for ten (10) days after Landlord delivers written notice of such failure to Tenant; or

(i) Tenant's interest in this Lease is attached, executed upon or otherwise judicially seized and such action is not released within one hundred twenty (120) days of the action.

Notices given under this Section shall specify the alleged default and shall demand that Tenant perform the provisions of this Lease or pay the Rent that is in arrears, as the case may be, within the applicable period of time, or quit the Premises. No such notice shall be deemed a forfeiture or a termination of this Lease unless Landlord elects otherwise in such notice.

31.5. In the event of a Default by Tenant, and at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy that Landlord may have, Landlord has the right to do any or all of the following:

(a) Halt any Tenant Improvements and Alterations and order Tenant's contractors, subcontractors, consultants, designers and material suppliers to stop work;

(b) Terminate Tenant's right to possession of the Premises by written notice to Tenant or by any lawful means, in which case Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall have the immediate right to re-enter and remove all persons and property, and such property may be removed and stored in a public warehouse or elsewhere at the cost and for the account of Tenant, all without service of notice or resort to legal process and without being deemed guilty of trespass or becoming liable for any loss or damage that may be occasioned thereby; and

(c) Terminate this Lease, in which event Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall have the immediate right to re-enter and remove all persons and property, and such property may be removed and stored in a public warehouse or elsewhere at the cost and for the account of Tenant, all without service of notice or resort to legal process and without being deemed guilty of trespass or becoming liable for any loss or damage that may be occasioned thereby. In the event that Landlord shall elect to so terminate this Lease, then Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including the sum of:

(i) The worth at the time of award of any unpaid Rent that had accrued at the time of such termination; plus

(ii) The costs of restoring the Premises to the condition required under the terms of this Lease; plus

(iii) An amount (the "Election Amount") equal to either (A) the positive difference (if any, and measured at the time of such termination) between (1) the then-present value of the total Rent and other benefits that would have accrued to Landlord under this Lease for the remainder of the Term if Tenant had fully complied with the Lease minus (2) the then-present cash rental value of the Premises as determined by Landlord for what would be the then-unexpired Term if the Lease remained in effect, computed using the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one (1) percentage point (the "Discount Rate") or (B) twelve (12) months (or such lesser number of months as may then be remaining in the Term) of Base Rent and Additional Rent at the rate last payable by Tenant pursuant to this Lease, in either case as Landlord specifies in such election. Landlord and Tenant agree that the Election Amount represents a reasonable forecast of the minimum damages expected to occur in the event of a breach, taking into account the uncertainty, time and cost of determining elements relevant to actual damages, such as fair market rent, time and costs that may be required to re-lease the Premises, and other factors; and that the Election Amount is not a penalty.

As used in Section 31.6(c)(i), "worth at the time of award" shall be computed by allowing interest at the Default Rate.



31.6. In addition to any other remedies available to Landlord at law or in equity and under this Lease (other than Section 31.6(c)(i)), Landlord may continue this Lease in effect after Tenant's Default or abandonment and recover Rent as it becomes due. In addition, Landlord shall not be liable in any way whatsoever for its failure or refusal to relet the Premises. For purposes of this Section, the following acts by Landlord will not constitute the termination of Tenant's right to possession of the Premises:

- (a) Acts of maintenance or preservation or efforts to relet the Premises, including alterations, remodeling, redecorating, repairs, replacements or painting as Landlord shall consider advisable for the purpose of reletting the Premises or any part thereof; or
- (b) The appointment of a receiver upon the initiative of Landlord to protect Landlord's interest under this Lease or in the Premises.

Notwithstanding the foregoing, in the event of a Default by Tenant, Landlord may elect at any time to terminate this Lease and to recover damages to which Landlord is entitled.

31.7. If Landlord does not elect to terminate this Lease as provided in Section 31.6, then Landlord may, from time to time, recover all Rent as it becomes due under this Lease. At any time thereafter, Landlord may elect to terminate this Lease and to recover damages to which Landlord is entitled.

31.8. In the event Landlord elects to terminate this Lease and relet the Premises, Landlord may execute any new lease in its own name. Tenant hereunder shall have no right or authority whatsoever to collect any Rent from such tenant. The proceeds of any such reletting shall be applied as follows:

- (a) First, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord, including storage charges or brokerage commissions owing from Tenant to Landlord as the result of such reletting;
- (b) Second, to the payment of the costs and expenses of reletting the Premises, including (i) alterations and repairs that Landlord deems reasonably necessary and advisable and (ii) reasonable attorneys' fees, charges and disbursements incurred by Landlord in connection with the retaking of the Premises and such reletting;
- (c) Third, to the payment of Rent and other charges due and unpaid hereunder; and
- (d) Fourth, to the payment of future Rent and other damages payable by Tenant under this Lease.

31.9. All of Landlord's rights, options and remedies hereunder shall be construed and held to be nonexclusive and cumulative. Landlord shall have the right to pursue any one or all of such remedies, or any other remedy or relief that may be provided by Applicable Laws, whether or not stated in this Lease. No waiver of any default of Tenant hereunder shall be implied from

any acceptance by Landlord of any Rent or other payments due hereunder or any omission by Landlord to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect defaults other than as specified in such waiver. Notwithstanding any provision of this Lease to the contrary, in no event shall Landlord be required to mitigate its damages with respect to any default by Tenant, except as required by Applicable Laws. Any such obligation imposed by Applicable Laws upon Landlord to relet the Premises after any termination of this Lease shall be subject to the reasonable requirements of Landlord to (a) lease to high quality tenants on such terms as Landlord may from time to time deem appropriate in its discretion and (b) develop the Project in a harmonious manner with a mix of uses, tenants, floor areas, terms of tenancies, etc., as determined by Landlord. Landlord shall not be obligated to relet the Premises to (y) any Tenant's Affiliate or (z) any party (i) unacceptable to a Lender, (ii) that requires Landlord to make improvements to or re-demise the Premises, (iii) that desires to change the Permitted Use, (iv) that desires to lease the Premises for more or less than the remaining Term or (v) to whom Landlord or an affiliate of Landlord may desire to lease other available space in the Project or at another property owned by Landlord or an affiliate of Landlord.

31.10. Landlord's termination of (a) this Lease or (b) Tenant's right to possession of the Premises shall not relieve Tenant of any liability to Landlord that has previously accrued or that shall arise based upon events that occurred prior to the later to occur of (y) the date of Lease termination and (z) the date Tenant surrenders possession of the Premises.

31.11. To the extent permitted by Applicable Laws, Tenant waives any and all rights of redemption granted by or under any present or future Applicable Laws if Tenant is evicted or dispossessed for any cause, or if Landlord obtains possession of the Premises due to Tenant's default hereunder or otherwise.

31.12. Landlord shall not be in default or liable for damages under this Lease unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event shall such failure continue for more than thirty (30) days after written notice from Tenant specifying the nature of Landlord's failure; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. In no event shall Tenant have the right to terminate or cancel this Lease or to withhold or abate rent or to set off any Claims against Rent as a result of any default or breach by Landlord of any of its covenants, obligations, representations, warranties or promises hereunder, except as may otherwise be expressly set forth in this Lease.

31.13. In the event of any default by Landlord, Tenant shall give notice by registered or certified mail or overnight delivery with a reputable overnight delivery service to any (a) beneficiary of a deed of trust or (b) mortgagee under a mortgage covering the Premises, the Building or the Project and to any landlord of any lease of land upon or within which the Premises, the Building or the Project is located, and shall offer such beneficiary, mortgagee or landlord a reasonable opportunity to cure the default, including time to obtain possession of the

Building or the Project by power of sale or a judicial action if such should prove necessary to effect a cure; provided that Landlord shall furnish to Tenant in writing, upon written request (which may be by email so long as such transmission is followed within one (1) business day by delivery utilizing one of the methods described in Section 39(a) or (b)) by Tenant, the names and addresses of all such persons who are to receive such notices and any updates thereto throughout the Term of this Lease.

32. Bankruptcy. In the event a debtor, trustee or debtor in possession under the Bankruptcy Code, or another person with similar rights, duties and powers under any other Applicable Laws, proposes to cure any default under this Lease or to assume or assign this Lease and is obliged to provide adequate assurance to Landlord that (a) a default shall be cured, (b) Landlord shall be compensated for its damages arising from any breach of this Lease and (c) future performance of Tenant's obligations under this Lease shall occur, then such adequate assurances shall include any or all of the following, as designated by Landlord in its sole and absolute discretion:

32.1. Those acts specified in the Bankruptcy Code or other Applicable Laws as included within the meaning of "adequate assurance," even if this Lease does not concern a shopping center or other facility described in such Applicable Laws;

32.2. A prompt cash payment to compensate Landlord for any monetary defaults or actual damages arising directly from a breach of this Lease;

32.3. A cash deposit in an amount at least equal to the then-current amount of the Security Deposit; or

32.4. The assumption or assignment of all of Tenant's interest and obligations under this Lease.

33. Brokers.

33.1. Each party represents and warrants that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease other than CBRE/New England (“Broker”), and that it knows of no other real estate broker or agent that is or might be entitled to a commission in connection with this Lease. Landlord shall compensate Broker in relation to this Lease pursuant to a separate agreement between Landlord and Broker.

33.2. Tenant represents and warrants that no broker or agent has made any representation or warranty relied upon by Tenant in Tenant’s decision to enter into this Lease, other than as contained in this Lease.

33.3. Tenant acknowledges and agrees that the employment of brokers by Landlord is for the purpose of solicitation of offers of leases from prospective tenants and that no authority is granted to any broker to furnish any representation (written or oral) or warranty from Landlord unless expressly contained within this Lease. Landlord is executing this Lease in reliance upon Tenant’s representations, warranties and agreements contained within Sections 33.1 and 33.2.

33.4. Tenant agrees to Indemnify the Landlord Indemnitees from any and all cost or liability for compensation claimed by any broker or agent, other than Broker, employed or engaged by Tenant or claiming to have been employed or engaged by Tenant.

33.5. Landlord agrees to Indemnify the Tenant harmless from any and all cost or liability for compensation claimed by any broker or agent, other than Broker, employees or engaged by Landlord or claiming to have been employed or engaged by Landlord.

34. Definition of Landlord. With regard to obligations imposed upon Landlord pursuant to this Lease, the term “Landlord,” as used in this Lease, shall refer only to Landlord or Landlord’s then-current successor-in-interest. In the event of any transfer, assignment or conveyance of Landlord’s interest in this Lease or in Landlord’s fee title to or leasehold interest in the Property, as applicable, Landlord herein named (and in case of any subsequent transfers or conveyances, the subsequent Landlord) shall be automatically freed and relieved, from and after the date of such transfer, assignment or conveyance, from all liability for the performance of any covenants or obligations contained in this Lease thereafter to be performed by Landlord and, without further agreement, the transferee, assignee or conveyee of Landlord’s in this Lease or in Landlord’s fee title to or leasehold interest in the Property, as applicable, shall be deemed to have assumed and agreed to observe and perform any and all covenants and obligations of Landlord hereunder during the tenure of its interest in the Lease or the Property. Landlord or any subsequent Landlord may transfer its interest in the Premises or this Lease without Tenant’s consent; provided, however, Landlord shall notify Tenant of any such transfer and include contact information and payment information for such transferee. Subject to the provisions of Article 11 hereof, Tenant shall not be liable, nor shall Tenant be deemed in default, for any Rent or Security Deposit paid to Landlord and not transferred or credited to Landlord’s transferee.

35. Limitation of Liability.

35.1. If Landlord is in default under this Lease and, as a consequence, Tenant recovers a monetary judgment against Landlord, the judgment shall be satisfied only out of (a) the proceeds of sale received on execution of the judgment and levy against the right, title and interest of Landlord in the Building and the Project, (b) rent or other income from such real property receivable by Landlord or (c) the consideration received by Landlord from the sale, financing, refinancing or other disposition of all or any part of Landlord's right, title or interest in the Building or the Project.

35.2. Neither Landlord nor any of its affiliates, nor any of their respective partners, shareholders, directors, officers, employees, members or agents shall be personally liable for Landlord's obligations or any deficiency under this Lease, and service of process shall not be made against any shareholder, director, officer, employee or agent of Landlord or any of Landlord's affiliates. No partner, shareholder, director, officer, employee, member or agent of Landlord or any of its affiliates shall be sued or named as a party in any suit or action, and service of process shall not be made against any partner or member of Landlord except as may be necessary to secure jurisdiction of the partnership, joint venture or limited liability company, as applicable. No partner, shareholder, director, officer, employee, member or agent of Landlord or any of its affiliates shall be required to answer or otherwise plead to any service of process, and no judgment shall be taken or writ of execution levied against any partner, shareholder, director, officer, employee, member or agent of Landlord or any of its affiliates.

35.3. Each of the covenants and agreements of this Article shall be applicable to any covenant or agreement either expressly contained in this Lease or imposed by Applicable Laws and shall survive the expiration or earlier termination of this Lease.

36. Joint and Several Obligations. If more than one person or entity executes this Lease as Tenant, then:

36.1. Each of them is jointly and severally liable for the keeping, observing and performing of all of the terms, covenants, conditions, provisions and agreements of this Lease to be kept, observed or performed by Tenant, and such terms, covenants, conditions, provisions and agreements shall be binding with the same force and effect upon each and all of the persons executing this Agreement as Tenant; and

36.2. The term "Tenant," as used in this Lease, shall mean and include each of them, jointly and severally. The act of, notice from, notice to, refund to, or signature of any one or more of them with respect to the tenancy under this Lease, including any renewal, extension, expiration, termination or modification of this Lease, shall be binding upon each and all of the persons executing this Lease as Tenant with the same force and effect as if each and all of them had so acted, so given or received such notice or refund, or so signed.

37. Representations. Tenant guarantees, warrants and represents that (a) Tenant is duly incorporated or otherwise established or formed and validly existing under the laws of its state of incorporation, establishment or formation, (b) Tenant has and is duly qualified to do business in the state in which the Property is located, (c) Tenant has full corporate, partnership, trust, association or other appropriate power and authority to enter into this Lease and to perform all

Tenant's obligations hereunder, (d) each person (and all of the persons if more than one signs) signing this Lease on behalf of Tenant is duly and validly authorized to do so and (e) neither (i) the execution, delivery or performance of this Lease nor (ii) the consummation of the transactions contemplated hereby will violate or conflict with any provision of documents or instruments under which Tenant is constituted or to which Tenant is a party. In addition, Tenant guarantees, warrants and represents that none of (x) it, (y) its affiliates or partners nor (z) to the best of its knowledge, its members, shareholders or other equity owners or any of their respective employees, officers, directors, representatives or agents is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) or other similar governmental action.

38. Confidentiality. Tenant shall keep the terms and conditions of this Lease and any information provided to Tenant or its employees, agents or contractors pursuant to Article 9 confidential and shall not (a) disclose to any third party any terms or conditions of this Lease or any other Lease-related document (including subleases, assignments, work letters, construction contracts, letters of credit, subordination agreements, non-disturbance agreements, brokerage agreements or estoppels) or the contents of any documents, reports, surveys or evaluations related to the Project or any portion thereof (including any decommissioning report provided to or prepared by Tenant or at Tenant's direction) or (b) provide to any third party an original or copy of this Lease (or any Lease-related document or other document referenced in Subsection 38(a)). Landlord shall not release to any third party any non-public financial information or non-public information about Tenant's ownership structure that Tenant gives Landlord. Notwithstanding the foregoing, confidential information under this Section may be released by Landlord or Tenant under the following circumstances: (x) if required by Applicable Laws (including any filings required to be made with the Securities and Exchange Commission) or in any judicial proceeding; provided that the releasing party has given the other party reasonable notice of such requirement, if feasible, (y) to a party's attorneys, accountants, brokers, lenders, potential lenders, investors, potential investors and other bona fide consultants or advisers (with respect to this Lease only) or to actual or potential investors or business partners; provided such third parties agree to be bound by this Section or (z) to bona fide prospective assignees or subtenants of this Lease; provided they agree in writing to be bound by this Section. Landlord agrees that a breach of such confidentiality may cause Tenant harm for which recovery of damages would be an inadequate remedy, and in such event, Tenant shall be entitled to seek injunctive relief.

39. Notices. Except as otherwise stated in this Lease, any notice, consent, demand, invoice, statement or other communication required or permitted to be given hereunder shall be in writing and shall be given by (a) personal delivery, (b) overnight delivery with a reputable international overnight delivery service, such as FedEx, or (c) facsimile or email transmission, so long as such transmission is followed within one (1) business day by delivery utilizing one of the methods described in Subsection 39(a) or (b). Any such notice, consent, demand, invoice, statement or

other communication shall be deemed delivered (x) upon receipt, if given in accordance with Subsection 39(a); (y) one (1) business day after deposit with a reputable international overnight delivery service, if given in accordance with Subsection 39(b); or (z) upon transmission, if given in accordance with Subsection 39(c). Except as otherwise stated in this Lease, any notice, consent, demand, invoice, statement or other communication required or permitted to be given pursuant to this Lease shall be addressed to Tenant at the Premises, or to Landlord or Tenant at the addresses shown in Sections 2.9 and 2.10 or 2.11, respectively. Either party may, by notice to the other given pursuant to this Section, specify additional or different addresses for notice purposes.

40. Miscellaneous.

40.1. Landlord reserves the right to change the name of the Building or the Project in its sole discretion.

40.2. To induce Landlord to enter into this Lease, Tenant agrees that it shall furnish to Landlord, from time to time, within ten (10) business days after receipt of Landlord's written request, the most recent year-end unconsolidated financial statements reflecting Tenant's current financial condition audited by a nationally recognized accounting firm. Tenant shall, within ninety (90) days after the end of Tenant's financial year, furnish Landlord with a certified copy of Tenant's year-end unconsolidated financial statements for the previous year audited by a nationally recognized accounting firm. Tenant represents and warrants that all financial statements, records and information furnished by Tenant to Landlord in connection with this Lease are true, correct and complete in all respects. If audited financials are not otherwise prepared, unaudited financials complying with generally accepted accounting principles and certified by the chief financial officer of Tenant as true, correct and complete in all respects shall suffice for purposes of this Section. If Tenant fails to deliver to Landlord any financial statement within the time period required under this Section, then Tenant shall be required to pay to Landlord an administrative fee equal to Five Hundred Dollars (\$500) within five (5) business days after receiving written notice from Landlord advising Tenant of such failure (provided, however, that Landlord's acceptance of such fee shall not prevent Landlord from pursuing any other rights or remedies under this Lease, at law or in equity). The provisions of this Section shall not apply at any time while Tenant is a corporation whose shares are traded on any nationally recognized stock exchange.

40.3. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease or otherwise until execution by and delivery to both Landlord and Tenant.

40.4. The terms of this Lease are intended by the parties as a final, complete and exclusive expression of their agreement with respect to the terms that are included herein, and may not be contradicted or supplemented by evidence of any other prior or contemporaneous agreement.

40.5. Upon the request of either Landlord or Tenant, the parties shall execute a document in recordable form containing only such information as is necessary to constitute a

Notice of Lease under Massachusetts law. All costs of preparing and recording such notice shall be borne by the requesting party. Within ten (10) days after receipt of written request from Landlord after the expiration or earlier termination of this Lease, Tenant shall execute a termination of any Notice of Lease recorded with respect hereto. Neither party shall record this Lease.

40.6. Where applicable in this Lease, the singular includes the plural and the masculine or neuter includes the masculine, feminine and neuter. The words "include," "includes," "included" and "including" mean "include," etc., without limitation." The word "shall" is mandatory and the word "may" is permissive. The word "business day" means a calendar day other than any national or local holiday on which federal government agencies in the County of Middlesex are closed for business, or any weekend. The section headings of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part of this Lease. Landlord and Tenant have each participated in the drafting and negotiation of this Lease, and the language in all parts of this Lease shall be in all cases construed as a whole according to its fair meaning and not strictly for or against either Landlord or Tenant.

40.7. Except as otherwise expressly set forth in this Lease, each party shall pay its own costs and expenses incurred in connection with this Lease and such party's performance under this Lease; provided that, if either party commences an action, proceeding, demand, claim, action, cause of action or suit against the other party arising from or in connection with this Lease, then the substantially prevailing party shall be reimbursed by the other party for all reasonable costs and expenses, including reasonable attorneys' fees and expenses, incurred by the substantially prevailing party in such action, proceeding, demand, claim, action, cause of action or suit, and in any appeal in connection therewith (regardless of whether the applicable action, proceeding, demand, claim, action, cause of action, suit or appeal is voluntarily withdrawn or dismissed). In addition, Landlord shall, upon demand, be entitled to all reasonable attorneys' fees and all other reasonable out-of-pocket costs incurred in the preparation and service of any notice or demand hereunder, regardless of whether a legal action is subsequently commenced, or incurred in connection with any contested matter or other proceeding in bankruptcy court concerning this Lease.

40.8. Time is of the essence with respect to the performance of every provision of this Lease.

40.9. Each provision of this Lease performable by Tenant shall be deemed both a covenant and a condition.

40.10. Notwithstanding anything to the contrary contained in this Lease, Tenant's obligations under this Lease are independent and shall not be conditioned upon performance by Landlord.

40.11. Whenever consent or approval of either party is required, that party shall not unreasonably withhold, condition or delay such consent or approval, except as may be expressly set forth to the contrary.



40.12. Any provision of this Lease that shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and all other provisions of this Lease shall remain in full force and effect and shall be interpreted as if the invalid, void or illegal provision did not exist.

40.13. Each of the covenants, conditions and agreements herein contained shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective heirs; legatees; devisees; executors; administrators; and permitted successors and assigns. This Lease is for the sole benefit of the parties and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns, and nothing in this Lease shall give or be construed to give any other person or entity any legal or equitable rights. Nothing in this Section shall in any way alter the provisions of this Lease restricting assignment or subletting.

40.14. This Lease shall be governed by, construed and enforced in accordance with the laws of the state in which the Premises are located, without regard to such state's conflict of law principles.

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

40.16. This Lease may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document.

40.17. No provision of this Lease may be modified, amended or supplemented except by an agreement in writing signed by Landlord and Tenant.

40.18. No waiver of any term, covenant or condition of this Lease shall be binding upon Landlord unless executed in writing by Landlord. The waiver by Landlord of any breach or default of any term, covenant or condition contained in this Lease shall not be deemed to be a waiver of any preceding or subsequent breach or default of such term, covenant or condition or any other term, covenant or condition of this Lease.

40.19. To the extent permitted by Applicable Laws, the parties waive trial by jury in any action, proceeding or counterclaim brought by the other party hereto related to matters arising from or in any way connected with this Lease; the relationship between Landlord and Tenant; Tenant's use or occupancy of the Premises; or any claim of injury or damage related to this Lease or the Premises.

41. Rooftop Installation Area.

41.1. Tenant may use those portions of the Building identified as "Tenant 2B" areas on Exhibit A attached hereto (collectively, the "Rooftop Installation Area") solely to operate, maintain, repair and replace rooftop antennae, mechanical equipment, communications antennas, the Generator, and other equipment installed by Tenant in the Rooftop Installation Area in

accordance with this Article (“Tenant’s Rooftop Equipment”). Tenant’s Rooftop Equipment shall be only for Tenant’s use of the Premises, or such entity as may occupy the Premises as a result of an Exempt Transfer, for the Permitted Use.

41.2. Tenant shall install Tenant’s Rooftop Equipment at its sole cost and expense, at such times and in such manner as Landlord may reasonably designate, and in accordance with this Article and the applicable provisions of this Lease regarding Alterations. Tenant’s Rooftop Equipment and the installation thereof shall be subject to Landlord’s prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. Among other reasons, Landlord may withhold approval if the installation or operation of Tenant’s Rooftop Equipment could reasonably be expected to damage the structural integrity of the Building or to transmit vibrations or noise or cause other adverse effects beyond the Premises to an extent not customary in first class laboratory buildings, unless Tenant implements measures that are acceptable to Landlord in its reasonable discretion to avoid any such damage or transmission.

41.3. Tenant shall comply with any roof or roof-related warranties. Tenant shall obtain a letter from Landlord’s roofing contractor within thirty (30) days after completion of any Tenant work on the rooftop stating that such work did not affect any such warranties. Tenant, at its sole cost and expense, shall inspect the Rooftop Installation Area at least annually, and correct any loose bolts, fittings or other appurtenances and repair any damage to the roof arising from the installation or operation of Tenant’s Rooftop Equipment. Tenant shall not permit the installation, maintenance or operation of Tenant’s Rooftop Equipment to violate any Applicable Laws or constitute a nuisance. Tenant shall pay Landlord within thirty (30) days after demand (a) all applicable taxes, charges, fees or impositions imposed on Landlord by Governmental Authorities as the result of Tenant’s use of the Rooftop Installation Areas in excess of those for which Landlord would otherwise be responsible for the use or installation of Tenant’s Rooftop Equipment and (b) the amount of any increase in Landlord’s insurance premiums as a result of the installation of Tenant’s Rooftop Equipment. Upon Tenant’s written request to Landlord, Landlord shall use commercially reasonable efforts to cause other tenants to remedy any interference in the operation of Tenant’s Rooftop Equipment arising from any such tenants’ equipment installed after the applicable piece of Tenant’s Rooftop Equipment; provided, however, that Landlord shall not be required to request that such tenants waive their rights under their respective leases.

41.4. If Tenant’s Equipment (a) causes physical damage to the structural integrity of the Building, (b) interferes with any telecommunications, mechanical or other systems located at or near or servicing the Building or the Project that were installed prior to the installation of Tenant’s Rooftop Equipment, (c) interferes with any other service provided to other tenants in the Building or the Project by rooftop or penthouse installations that were installed prior to the installation of Tenant’s Rooftop Equipment or (d) interferes with any other tenants’ business, in each case in excess of that permissible under Federal Communications Commission regulations, then Tenant shall cooperate with Landlord to determine the source of the damage or interference and promptly repair such damage and eliminate such interference, in each case at Tenant’s sole cost and expense, within thirty (30) days after receipt of notice of such damage or interference

(which notice may be oral; provided that Landlord also delivers to Tenant written notice of such damage or interference within twenty-four (24) hours after providing oral notice).

41.5. Landlord reserves the right to cause Tenant to relocate Tenant's Rooftop Equipment to comparably functional space on the roof or in the penthouse of the Building by giving Tenant prior written notice thereof. Landlord agrees to pay the reasonable costs thereof. Tenant shall arrange for the relocation of Tenant's Rooftop Equipment within sixty (60) days after receipt of Landlord's notification of such relocation. In the event Tenant fails to arrange for relocation within such sixty (60)-day period, Landlord shall have the right to arrange for the relocation of Tenant's Rooftop Equipment in a manner that does not materially interrupt or interfere with Tenant's use of the Premises for the Permitted Use.

42. Option to Extend Term. Tenant shall have one (1) option (the "Option") to extend the Term by sixty (60) months as to the entire Premises (and no less than the entire Premises) upon the following terms and conditions. The extension of the Term pursuant to the Option shall be on all the same terms and conditions as this Lease, except as follows:

42.1. Base Rent at the commencement of the Option term shall equal the greater of (a) the then-current Base Rent, and (b) the then-current fair market value for comparable office and laboratory space in the East Cambridge submarket of comparable age, quality, level of finish and proximity to amenities and public transit, and containing the systems and improvements present in the Premises as of the date that Tenant gives Landlord written notice of Tenant's election to exercise the Option ("FMV"), and in each case shall be further increased on each annual anniversary of the Option term commencement date by then-current market escalations. Tenant may, no more than fifteen (15) months prior to the date the Term is then scheduled to expire, request Landlord's estimate of the FMV for the Option term. Landlord shall, within fifteen (15) days after receipt of such request, give Tenant a written proposal of such FMV. If Tenant gives written notice to exercise the Option, such notice shall specify whether Tenant accepts Landlord's proposed estimate of FMV. If Tenant does not accept the FMV, then the parties shall endeavor to agree upon the FMV, taking into account all relevant factors, including but not limited to (v) the size of the Premises, (w) the length of the Option term, (x) rent in comparable buildings in the relevant submarket, including concessions offered to new tenants, such as free rent, tenant improvement allowances and moving allowances, (y) Tenant's creditworthiness, and (z) the quality and location of the Building and the Project. In the event that the parties are unable to agree upon the FMV within thirty (30) days after Tenant notifies Landlord that Tenant is exercising the Option, then either party may request that the same be determined as follows: a senior officer of a nationally recognized leasing brokerage firm with local knowledge of the East Cambridge laboratory/research and development leasing submarket (the "Baseball Arbitrator") shall be selected and paid for jointly by Landlord and Tenant. If Landlord and Tenant are unable to agree upon the Baseball Arbitrator, then the same shall be designated by the local chapter of the Judicial Arbitration and Mediation Services or any successor organization thereto (the "JAMS"). The Baseball Arbitrator selected by the parties or designated by JAMS shall (y) have at least ten (10) years' experience in the leasing of laboratory/research and development space in the East Cambridge submarket and (z) not have been employed or retained by either Landlord or Tenant or any affiliate of either for a period of at least ten (10) years prior to appointment

pursuant hereto. Each of Landlord and Tenant shall submit to the Baseball Arbitrator and to the other party its determination of the FMV. The Baseball Arbitrator shall grant to Landlord and Tenant a hearing and the right to submit evidence. The Baseball Arbitrator shall determine which of the two (2) FMV determinations more closely represents the actual FMV. The arbitrator may not select any other FMV for the Premises other than one submitted by Landlord or Tenant. The FMV selected by the Baseball Arbitrator shall be binding upon Landlord and Tenant and shall serve as the basis for determination of Base Rent payable for the Option term. If, as of the commencement date of the Option term, the amount of Base Rent payable during the Option term shall not have been determined, then, pending such determination, Tenant shall pay Base Rent equal to the Base Rent payable with respect to the last year of the then-current Term. After the final determination of Base Rent payable for the Option term, the parties shall promptly execute a written amendment to this Lease specifying the amount of Base Rent to be paid during the Option term. Any failure of the parties to execute such amendment shall not affect the validity of the FMV determined pursuant to this Section.

42.2. The Option is not assignable separate and apart from this Lease.

42.3. The Option is conditional upon Tenant giving Landlord written notice of its election to exercise the Option at least twelve (12) months prior to the end of the expiration of the then-current Term. Time shall be of the essence as to Tenant's exercise of the Option. Tenant assumes full responsibility for maintaining a record of the deadlines to exercise an Option. Tenant acknowledges that it would be inequitable to require Landlord to accept any exercise of the Option after the date provided for in this Section.

42.4. Notwithstanding anything contained in this Article to the contrary, Tenant shall not have the right to exercise the Option:

(a) During the time commencing from the date Landlord delivers to Tenant a written notice that Tenant is in default under any provisions of this Lease and continuing until Tenant has cured the specified default to Landlord's reasonable satisfaction; or

(b) At any time after any Default as described in Article 31 of the Lease (provided, however, that, for purposes of this Section 42.4(b), Landlord shall not be required to provide Tenant with notice of such Default) and continuing until Tenant cures any such Default, if such Default is susceptible to being cured; or

(c) In the event that Tenant is subleasing more than fifty percent (50%) of the Rentable Area of the Premises as of the date that (i) Tenant exercises the Option or (ii) the first day of the Option term.

42.5. The period of time within which Tenant may exercise the Option shall not be extended or enlarged by reason of Tenant's inability to exercise such Option because of the provisions of Section 42.4.

42.6. All of Tenant's rights under the provisions of the Option shall terminate and be of no further force or effect even after Tenant's due and timely exercise of such Option if, after

such exercise, but prior to the commencement date of the new term, (a) Tenant fails to pay to Landlord a monetary obligation of Tenant for a period of twenty (20) days after written notice from Landlord to Tenant, or (b) Tenant fails to commence to cure a default (other than a monetary default) within thirty (30) days after the date Landlord gives notice to Tenant of such default.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Lease as a sealed Massachusetts instrument as of the date first above written.

LANDLORD:

BMR-ROGERS STREET LLC,  
a Delaware limited liability company

By: /s/ Colleen O'Connor  
Name: Colleen O'Connor  
Title: Vice President, East Coast

TENANT:

KRONOS BIO, INC.,  
a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Lease as a sealed Massachusetts instrument as of the date first above written.

LANDLORD:

BMR-ROGERS STREET LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

TENANT:

KRONOS BIO, INC.,  
a Delaware corporation

DocuSigned by:

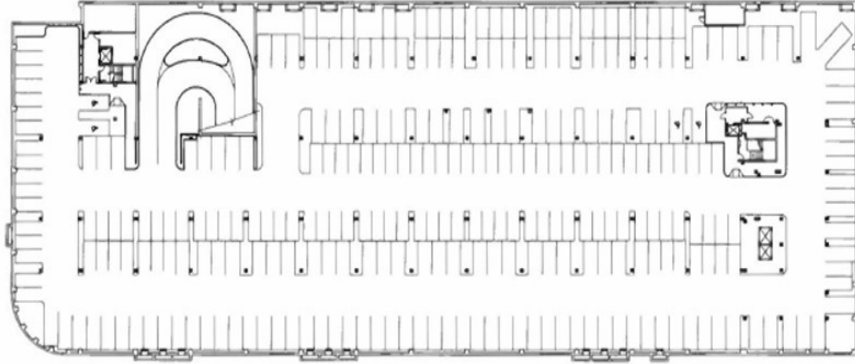
By: /s/ Christopher M. Wilfong  
Name: Christopher M. Wilfong  
Title: Chief Operating Officer

**EXHIBIT A**

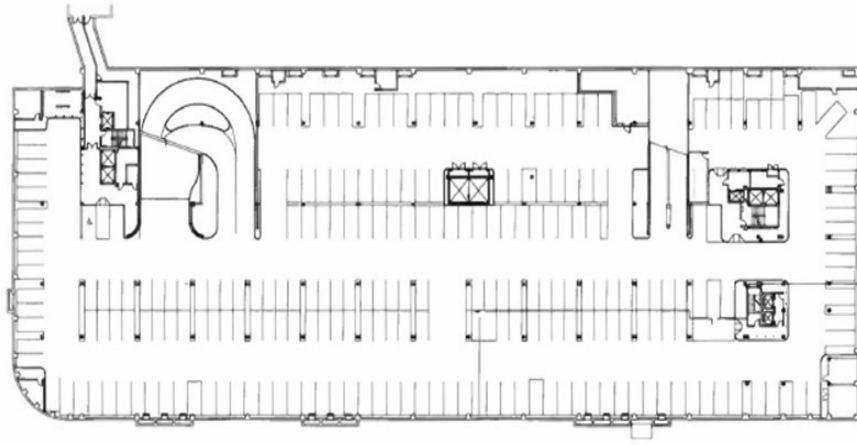
**PREMISES**

*[See attached]*



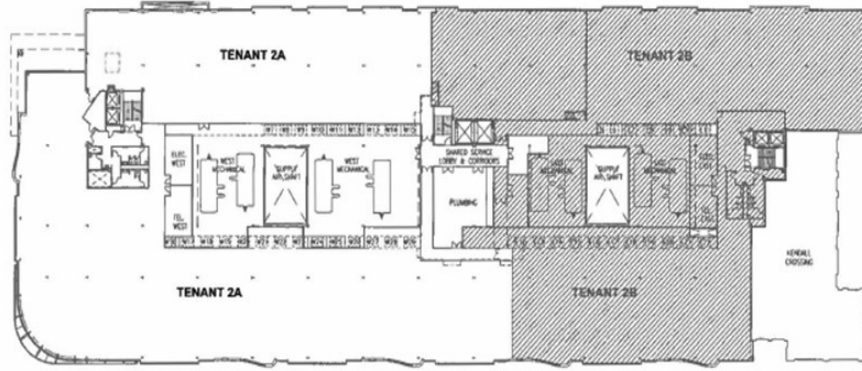


Legend  
▨ Tenant Premises

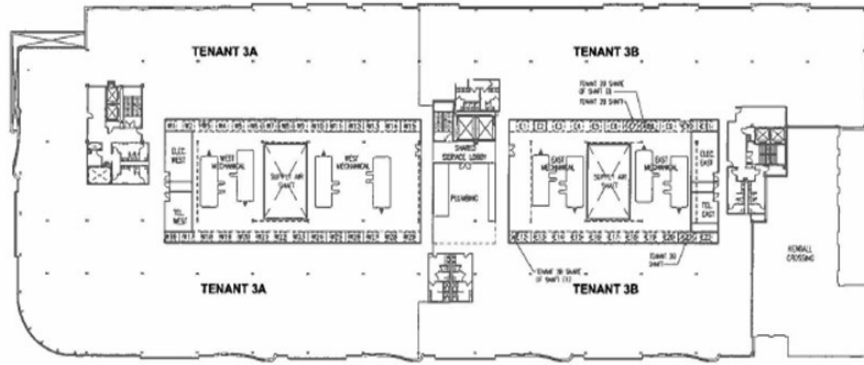


Legend  
▨ Tenant Premises

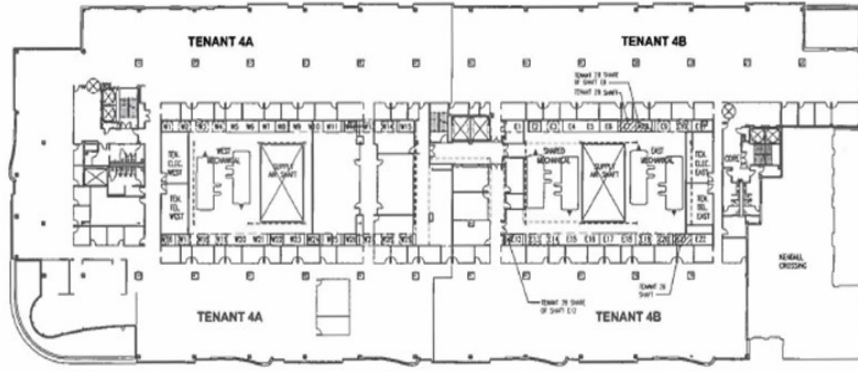




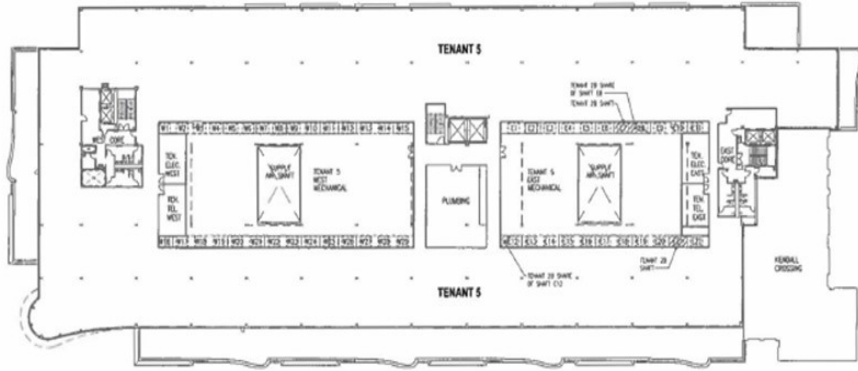
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 Tenant Premises



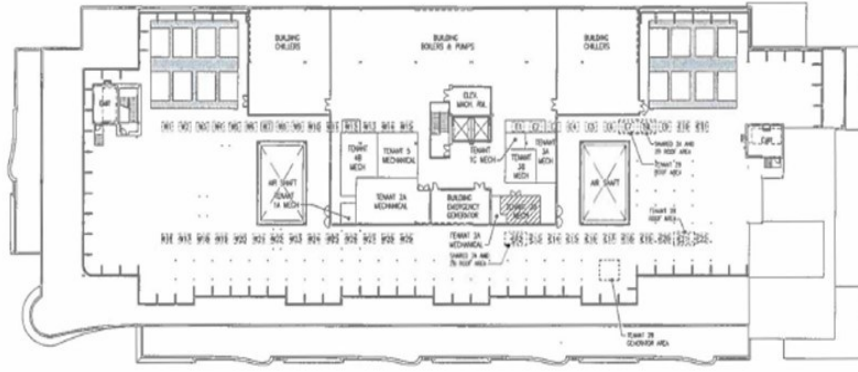
Legend  
 Tenant Premises



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 Tenant Premises



Legend  
 Tenant Premises



Legend

 Tenant Premises

Note: Tenant roof areas are shown to indicate tenant assignment only and are not included in tenant premises or rentable area.



**EXHIBIT A-1**

**PROPERTY**

Parcel One:

A certain parcel of land situated in Cambridge, in Middlesex County and Commonwealth of Massachusetts, bounded and described as follows:

NORTHWESTERLY: on Binney Street two hundred (200) feet, thence turning at right angles and running;

NORTHEASTERLY: along land shown on the plan hereinafter mentioned as belonging to Associates Transport, Inc., two hundred (200) feet to a point on the private way shown as Rogers Street

on the plan hereinafter mentioned; thence turning at right angles and running;

SOUTHEASTERLY: on Rogers Street two hundred (200) feet to a point on Sixth Street; thence turning at right angles and running;

SOUTHEASTERLY: on Sixth Street two hundred (200) feet to the point of beginning.

Containing 40,000 square feet and being the parcel of land shown on the plan entitled "Plan of Land in Cambridge, Mass." dated August 8, 1945. William S. Crocker, C. E., said plan being duly recorded with Middlesex South Registry District Deeds, Book 6893, Page 509; and also being the parcel of land shown on a plan of land entitled "Plan of Land in Cambridge, Mass. Property of Industrial Stainless Steel Inc." dated October 21, 1960, Schofield Brothers, Reg. Land Surveyors, said plan being duly recorded with Middlesex South Registry of Deeds as Plan Number 1664 of 1960 at Book 9706, Page End.

Parcel Two:

A certain parcel of land with the buildings thereon situated in said Cambridge, bounded and described as follows:

NORTHERLY: by Rogers Street, three-hundred thirty-five and 27/100 (335.27) feet;

EASTERLY: by land now or formerly of Harry J. Dowd, two hundred and no/100 (200) feet;

SOUTHERLY: by Binney Street;

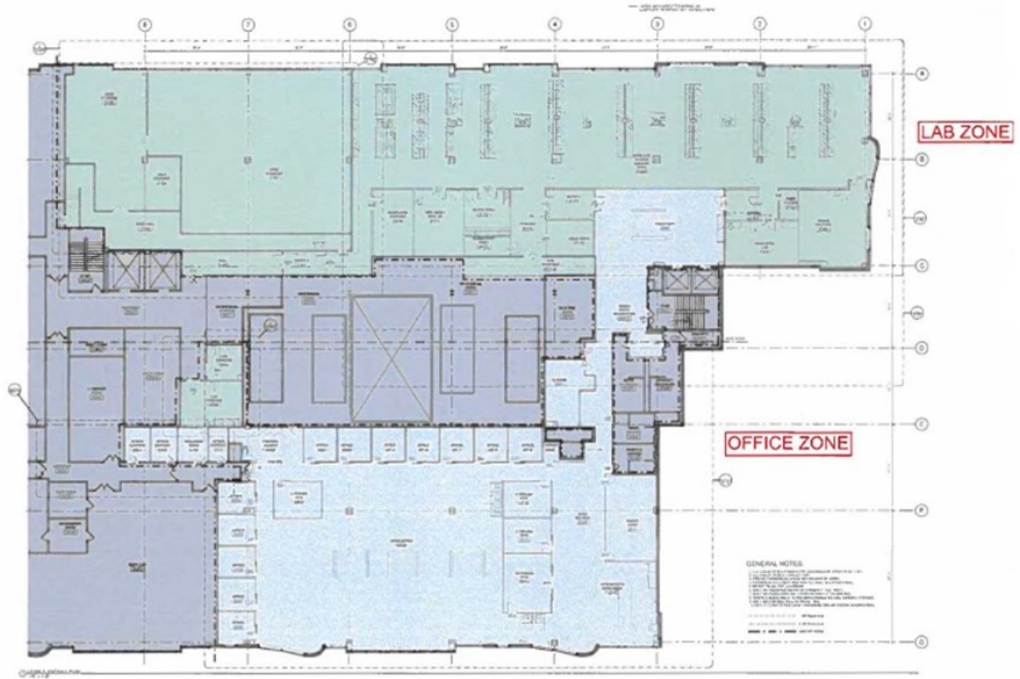
WESTERLY: by Fulkerson Street.

WESTERLY:

by Fulkerson Street.

Parcels One and Two together comprise all of Lots A, B, C and D as shown on a plan of Land entitled "Plan Showing Sub-division of land in Cambridge, Massachusetts," dated July 29, 1940, Wm. H. McGinness C. E., said plan being duly recorded with the Middlesex South Registry of Deeds as Plan Number 1052 of 1940, at Book 6445, Page 394.

**EXHIBIT A-2**  
**PLAN OF OFFICE/LAB ZONES**



**AHA**

**KRONOS BIO**

**RICHMOND**

**Real Estate**

**CODE 2000**



**LEVEL 2 - OVERALL FLOOR PLAN**

**Kronos Bio**  
 10000 KRONOS BLVD  
 SUITE 200  
 RICHMOND, BC V6X 3E9  
 TEL: 604-273-1111  
 FAX: 604-273-1112  
 WWW.KRONOSBIO.COM

**A-100**

**EXHIBIT A-3**

**DEMISING ITEMS**

[See attached]

ExhibitA-3		
Category	Item	Comments
Electrical	Normal Power	All normal power has been separated so that the Adjacent Premises are exclusively fed from panels located in the Adjacent Premises and the Premises are exclusively fed from panels located in the Premises. All electrical metering is done at the utility meter. All Premises electrical equipment (VFDs, Disconnects, Panels, Transformers) located in the Adjacent Premises have been relocated to the Premises. Premises tenant will need to set up a new account with the utility. VFD's addressed below and on Exhibit A-4.
Electrical	Standby Power	All Premises equipment have been disconnected from the Adjacent Premises from the standby panels. VFD's addressed below and on Exhibit A-4.
Electrical	Lighting Controls	All lighting has been separated so that the Premises are exclusively served by lighting control panels located in the Premises.
Electrical	Electric Sub-Meter	Electrical sub meters are not required. All electrical metering is done at the utility meter. All normal power has been separated so that the the Premises are exclusively fed from panels served by the Premises.
Plumbing	Domestic Water	Non-domestic water piping mains to the Premises have been cut and capped. Premises will be responsible for providing their own systems and piping layout.
Plumbing	Tempered Water	Tempered water piping mains to the Premises have been cut and capped. Premises will be responsible for providing their own systems and piping layout.
Plumbing	RODI	RODI loop serving the Premises have been cut and capped, and all RO faucets have been marked as "Disconnected". Premises will be responsible for providing their own systems and piping layout.
Plumbing	Lab Waste	Lab waste drains serving the Premises have been cut and capped. Premises will be responsible for providing their own systems and piping layout. Adjacent Premises are served by pH system located in the 1st floor mechanical room.

Category	Item	Comments
Fire Protection	Sprinkler	The sprinkler system has not been demised between the Adjacent Premises and Premises. The wet sprinkler system distribution for the second floor consists of 4" main piping runs, with a tree system layout of 1-1/2" branch piping to the sprinkler heads. As each half of the floor is served by existing flow control valve stations at the two stairways, the Adjacent Premises will not require a dedicated flow control valve station for the portion of the sprinkler system serving their spaces. See Exhibit A-4.
HVAC	Supply Air	No additional metering should be required. Supply duct has been demised so Premises are exclusively served by AHU-2.5, 2.6, 2.7, 2.8.
HVAC	Exhaust Air	All exhaust has been separated so that the Premises are exclusively served by exhaust fans located in the Premises.
HVAC	Chilled Water and Backup Chilled Water	Backup chilled water serving the Premises has been cut and capped. Chilled water serving the Premises is located within the Premises, subject to work required in mezzanine area shown on Exhibit A-4, #4.
HVAC	Re-heat Hot Water	Hot water re-heat serving the Premises is provided from the Premises mechanical room Mechanical Room East 2071, subject to Exhibit A-4, #4.
BMS	Dedicated Panel	The BMS has been separated so that the Adjacent Premises are exclusively fed from panels served by the Adjacent Premises and the Premises are exclusively fed from panels served by the Premises.
IT	IT Wiring	All Tel/data wiring has been removed from Premises
IT	IT Closet	All Tel/Data equipment has been removed from IT closet
Fiber	Fiber Service	Service has been disconnected; fiber remaining in base building tel/data room
Security	Card readers/cameras	Card reader access and cameras have been removed
Phoenix Controls	Dedicated Panel	The Phoenix Controls need to be separated so that the Adjacent Premises are exclusively fed from panels and server served by the Adjacent Premises and the Premises are exclusively fed from panels server served by the Premises. See Exhibit A-4, #1

Category	Item	Comments
LEF VFDs, BMS Controls, & Electric	Penthouse	The VFDs, associated BMS controls, and associated electric are currently located within the 103 SF Penthouse Cyclorion premises and eventually need to be relocated with the 334SF Penthouse Kronos premises. See Exhibit A-4, #2



EXHIBIT A-4

REMAINING DEMISING WORK

1. Phoenix Controller. Prior Tenant has agreed not to demise or disconnect the existing Phoenix controller from the Adjacent Premises until the earlier of (i) the date Tenant has purchased and installed a new Phoenix controller for the Premises or (ii) ninety (90) days after the Execution Date (the "Controller Disconnection Date"). Following the Controller Disconnection Date, Tenant has agreed to pay for the removal of all wires within the Premises connected to the old Phoenix controller (which work shall be performed by Tenant). Prior Tenant has agreed to reimburse any actual, documented, out-of-pocket costs owed to Tenant within thirty (30) days of receipt of an invoice therefor. For the avoidance of doubt, in the event Tenant fails to make the required determination and installation within ninety (90) days, Prior Tenant shall have no further obligations to Landlord or Tenant.
2. Variable Frequency Drives (VFDs). The VFDs, associated BMS controls, and associated electrical wiring related to the Premises (collectively, the "VFD Equipment") are currently located within the Adjacent Premises and will eventually need to be relocated to the mechanical penthouse within the Premises. Prior Tenant has agreed to leave the VFD Equipment online and operational until Tenant has determined where to relocate the VFD Equipment. Tenant shall make such determination and install all associated wiring and equipment necessary to connect the VFD Equipment to the Premises within ninety (90) days after the Execution Date. Within ten (10) days of such determination by Tenant, Prior Tenant has agreed to disconnect and relinquish to Tenant the VFD Equipment. Tenant shall be responsible at its sole cost for the relocation of the VFD Equipment to the new location determined by Tenant. For the avoidance of doubt, in the event Tenant fails to make the required determination and installations within ninety (90) days, Prior Tenant shall have no further obligations to Landlord or Tenant.
3. Mezzanine Space. Tenant shall install chilled water and hot water piping on the mezzanine floor so that the fan coil units in the Premises are exclusively fed from the Premises utilities.

## EXHIBIT B

### WORK LETTER

This Work Letter (this "Work Letter") is made and entered into as of the 28<sup>th</sup> day of February, 2020, by and between **BMR-Rogers Street LLC**, a Delaware limited liability company ("Landlord"), and **Kronos Bio, Inc.**, a Delaware corporation ("Tenant"), and is attached to and made a part of that certain Lease dated as of February 28, 2020 (as the same may be amended, amended and restated, supplemented or otherwise modified from time to time, the "Lease"), by and between Landlord and Tenant for the Premises located at 301 Binney Street in Cambridge, Massachusetts. All capitalized terms used but not otherwise defined herein shall have the meanings given them in the Lease.

#### 1. General Requirements.

##### 1.1 Authorized Representatives.

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

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

1.2 Schedule. The schedule for design and development of the Tenant Improvements, including the time periods for preparation and review of construction documents, approvals and performance, shall be in accordance with a schedule to be prepared by Tenant (the "Schedule"). Tenant shall prepare the Schedule so that it is a reasonable schedule for the completion of the Tenant Improvements. The Schedule shall clearly identify all activities requiring Landlord participation, including specific dates and time periods when Tenant's contractor will require access to areas of the Project outside of the Premises. As soon as the Schedule is completed, Tenant shall deliver the same to Landlord for Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed. Such Schedule shall be approved or disapproved by Landlord within ten (10) business days after delivery to Landlord. Landlord's failure to respond within such ten (10) business day period shall be deemed approval by Landlord. If Landlord disapproves the Schedule, then Landlord shall notify Tenant in writing of its objections to such Schedule, and the parties shall confer and negotiate in good faith to reach agreement on

the Schedule. The Schedule shall be subject to adjustment as mutually agreed upon in writing by the parties, or as provided in this Work Letter.

1.3 Tenant's Architects, Contractors and Consultants. The architect, engineering consultants, design team, general contractor and subcontractors responsible for the construction of the Tenant Improvements shall be selected by Tenant and approved by Landlord, which approval Landlord shall not unreasonably withhold, condition or delay. Landlord may refuse to approve any architects, consultants, contractors, subcontractors or material suppliers that Landlord reasonably believes could cause labor disharmony or may not have sufficient experience, in Landlord's reasonable opinion, to perform work in an occupied Class "A" laboratory research building and in tenant-occupied lab areas. All Tenant contracts related to the Tenant Improvements shall provide that Tenant may assign such contracts and any warranties with respect to the Tenant Improvements to Landlord at any time. Notwithstanding anything to the contrary contained herein, Landlord hereby approves Tenant's use of PIDC Construction and The Richmond Group USA, as possible general contractors for the Tenant Improvements; and any of the following as architects for the Tenant Improvements (i) Lab Architect Group, (ii) Perkins + Will, (iii) Jacobs, (iv) R E Dinneen Architects & Planners, Inc., and (v) Gensler.

2. Tenant Improvements. All Tenant Improvements shall be performed by Tenant's contractor, at Tenant's sole cost and expense (subject to Landlord's obligations with respect to any portion of the TI Allowance and in accordance with the Approved Plans (as defined below), the Lease and this Work Letter. To the extent that the total projected cost of the Tenant Improvements (as projected by Landlord) exceeds the TI Allowance (such excess, the "Excess TI Costs"), Tenant shall pay the costs of the Tenant Improvements on a *pari passu* basis with Landlord as such costs become due, in the proportion of Excess TI Costs payable by Tenant to the TI Allowance. If Tenant fails to pay, or is late in paying, any sum due to Landlord under this Work Letter, then Landlord shall have all of the rights and remedies set forth in the Lease for nonpayment of Rent (including the right to interest and the right to assess a late charge), and for purposes of any litigation instituted with regard to such amounts the same shall be considered Rent. All material and equipment furnished by Tenant or its contractors as the Tenant Improvements shall be new or "like new;" the Tenant Improvements shall be performed in a first-class, workmanlike manner; and the quality of the Tenant Improvements shall be of a nature and character not less than the Building Standard. Tenant shall take, and shall require its contractors to take, commercially reasonable steps to protect the Premises during the performance of any Tenant Improvements, including covering or temporarily removing any window coverings so as to guard against dust, debris or damage. All Tenant Improvements shall be performed in accordance with Article 17 of the Lease; provided that, notwithstanding anything in the Lease or this Work Letter to the contrary, in the event of a conflict between this Work Letter and Article 17 of the Lease, the terms of this Work Letter shall govern.

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

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

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

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

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

as a result of such Change. Change Requests shall be signed by the requesting party's Authorized Representative.

(b) Approval of Changes. All Change Requests shall be subject to the other party's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed; provided, however, that no such approval by Landlord shall be required for any Change that is not material and is cosmetic in nature, and that does not affect the base Building mechanical, electrical, or plumbing systems or any other base Building systems and does not require any submission of any plans or any other documents to the City of Cambridge Inspectional Services Department. The non-requesting party shall have five (5) business days after receipt of a Change Request to notify the requesting party in writing of the non-requesting party's decision either to approve or object to the Change Request. The non-requesting party's failure to respond within such five (5) business day period shall be deemed approval by the non-requesting party.

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

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

3. Completion of Tenant Improvements. Tenant, at its sole cost and expense (except for the TI Allowance), shall perform and complete the Tenant Improvements in all respects (a) in substantial conformance with the Approved Plans, (b) otherwise in compliance with provisions of the Lease and this Work Letter and (c) in accordance with Applicable Laws, the requirements of Tenant's insurance carriers, the requirements of Landlord's insurance carriers (to the extent Landlord provides its insurance carriers' requirements to Tenant) and the board of fire underwriters having jurisdiction over the Premises. The Tenant Improvements shall be deemed completed at such time as Tenant shall furnish to Landlord (u) evidence satisfactory to Landlord

that (i) all Tenant Improvements have been completed and paid for in full (which shall be evidenced by the architect's certificate of completion and the general contractor's and each subcontractor's and material supplier's final unconditional waivers and releases of liens, each in a form acceptable to Landlord and complying with Applicable Laws, and a Certificate of Substantial Completion in the form of the American Institute of Architects document G704, executed by the project architect and the general contractor, together with a statutory notice of substantial completion from the general contractor), (ii) all Tenant Improvements have been accepted by Landlord, (iii) any and all liens related to the Tenant Improvements have either been discharged of record (by payment, bond, order of a court of competent jurisdiction or otherwise) or waived by the party filing such lien and (iv) no security interests relating to the Tenant Improvements are outstanding, (u) all certifications and approvals with respect to the Tenant Improvements that may be required from any Governmental Authority and any board of fire underwriters or similar body for the use and occupancy of the Premises (including a certificate of occupancy (or its substantial equivalent) for the Premises for the Permitted Use), (v) certificates of insurance required by the Lease to be purchased and maintained by Tenant, (w) an affidavit from Tenant's architect certifying that all work performed in, on or about the Premises is in accordance with the Approved Plans, (x) complete "as built" drawing print sets, project specifications and shop drawings and electronic CADD files on disc (showing the Tenant Improvements as an overlay on the Building "as built" plans (provided that Landlord provides the Building "as-built" plans provided to Tenant) of all contract documents for work performed by their architect and engineers in relation to the Tenant Improvements, and (y) a commissioning report prepared by a licensed, qualified commissioning agent hired by Tenant and approved by Landlord for all new or affected mechanical, electrical and plumbing systems (which report Landlord may hire a licensed, qualified commissioning agent to peer review, and whose reasonable recommendations Tenant's commissioning agent shall perform and incorporate into a revised report) and (z) such other "close out" materials as Landlord reasonably requests consistent with Landlord's own requirements for its contractors, such as copies of manufacturers' warranties, operation and maintenance manuals and the like.

4. Insurance. Tenant shall maintain insurance as required on Exhibit B-1 attached to the Lease.

5. Liability. Tenant assumes sole responsibility and liability for any and all injuries or the death of any persons, including Tenant's contractors and subcontractors and their respective employees, agents and invitees, and for any and all damages to property arising from any act or omission on the part of Tenant, Tenant's contractors or subcontractors, or their respective employees, agents and invitees in the prosecution of the Tenant Improvements. Tenant agrees to Indemnify the Landlord Indemnitees from and against all Claims due to, because of or arising from any and all such injuries, death or damage, whether real or alleged, and Tenant and Tenant's contractors and subcontractors shall assume and defend at their sole cost and expense all such Claims; provided, however, that nothing contained in this Work Letter shall be deemed to Indemnify Landlord from or against liability to the extent arising directly from Landlord's negligence or willful misconduct. Any deficiency in design or construction of the Tenant Improvements shall be solely the responsibility of Tenant, notwithstanding the fact that Landlord may have approved of the same in writing.

6. TI Allowance.

6.1 Application of TI Allowance. Landlord shall contribute, in the following order, the TI Allowance toward the costs and expenses incurred in connection with the performance of the Tenant Improvements, in accordance with Article 4 of the Lease. If the entire TI Allowance is not applied toward or reserved for the costs of the Tenant Improvements, then Tenant shall not be entitled to a credit of such unused portion of the TI Allowance. Tenant may apply the TI Allowance for the payment of construction and other costs in accordance with the terms and provisions of the Lease.

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

6.3 Fund Requests. Upon submission by Tenant to Landlord as of or prior to the TI Deadline of (a) a statement (a "Fund Request") setting forth the total amount of the TI Allowance requested, (b) a summary of the Tenant Improvements performed using AIA standard form Application for Payment (G 702) executed by the general contractor and by the architect, (c) invoices from the general contractor, the architect, and any subcontractors, material suppliers and other parties requesting payment with respect to the amount of the TI Allowance then being requested, (d) in a form acceptable to Landlord and complying with Applicable Laws and (e) except with respect to the final Fund Request, conditional lien releases from the general contractor and each subcontractor and material supplier with respect to the Tenant Improvements performed that correspond to the Fund Request each in a form acceptable to Landlord and complying with Applicable Laws, then Landlord shall, within thirty (30) days following receipt by Landlord of a Fund Request and the accompanying materials required by this Section, pay to (as elected by Landlord) the applicable contractors, subcontractors and material suppliers or Tenant (for reimbursement for payments made by Tenant to such contractors, subcontractors or material suppliers either prior to Landlord's approval of the Approved TI Budget or as a result of Tenant's decision to pay for the Tenant Improvements itself and later seek reimbursement from Landlord in the form of one lump sum payment in accordance with the Lease and this Work Letter), the amount of Tenant Improvement costs set forth in such Fund Request or Landlord's pari passu share thereof if Excess TI Costs exist based on the Approved Budget; provided, however, that Landlord shall not be obligated to make any payments under this Section until the budget for the Tenant Improvements is approved in accordance with Section 6.2, and any Fund Request under this Section shall be submitted as of or prior to the TI Deadline and shall be subject to the payment limits set forth in Section 6.2 above and Article 4 of the Lease. Notwithstanding anything in this Section to the contrary, Tenant shall not submit a Fund Request after the TI Deadline or more often than every thirty (30) days. Any additional Fund Requests

submitted by Tenant after the TI Deadline or more often than every thirty (30) days shall be void and of no force or effect. Within ten (10) days after Tenant's receipt of payment in full or confirmation of payment in full, as applicable, in connection with the final Fund Request, Tenant shall deliver to Landlord an unconditional waiver and release of lien upon payment from the general contractor and each subcontractor and material supplier complying with Applicable Laws and in a form acceptable to Landlord.

6.4 Accrual Information. In addition to the other requirements of this Section 6, Tenant shall, no later than the second (2<sup>nd</sup>) business day of each month until the Tenant Improvements are complete, provide Landlord with an estimate of (a) the percentage of design and other soft cost work that has been completed, (b) design and other soft costs spent through the end of the previous month, both from commencement of the Tenant Improvements and solely for the previous month, (c) the percentage of construction and other hard cost work that has been completed, (d) construction and other hard costs spent through the end of the previous month, both from commencement of the Tenant Improvements and solely for the previous month, and (e) the date of Substantial Completion of the Tenant Improvements.

7. Miscellaneous.

7.1 Incorporation of Lease Provisions. Sections 40.6 through 40.19 of the Lease are incorporated into this Work Letter by reference, and shall apply to this Work Letter in the same way that they apply to the Lease.

7.2 General. Except as otherwise set forth in the Lease or this Work Letter, this Work Letter shall not apply to improvements performed in any additional premises added to the Premises at any time or from time to time, whether by any options under the Lease or otherwise; or to any portion of the Premises or any additions to the Premises in the event of a renewal or extension of the original Term, whether by any options under the Lease or otherwise, unless the Lease or any amendment or supplement to the Lease expressly provides that such additional premises are to be delivered to Tenant in the same condition as the initial Premises.

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

LANDLORD:

BMR-ROGERS STREET LLC,  
a Delaware limited liability company

By: /s/ Colleen O'Connor  
Name: Colleen O'Connor  
Title: Vice President, East Coast

TENANT:

KRONOS BIO, INC.,  
a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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

LANDLORD:

BMR-ROGERS STREET LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

TENANT:

KRONOS BIO, INC.,  
a Delaware corporation

DocuSigned by:

By: /s/ Christopher M. Wilfong  
Name: Christopher M. Wilfong  
Title: Chief Operating Officer

**EXHIBIT B-1**

**TENANT WORK INSURANCE SCHEDULE**

Tenant shall be responsible for requiring all of Tenant contractors doing construction or renovation work to purchase and maintain such insurance as shall protect it from the claims set forth below which may arise out of or result from any Tenant Work whether such Tenant Work is completed by Tenant or by any Tenant contractors or by any person directly or indirectly employed by Tenant or any Tenant contractors, or by any person for whose acts Tenant or any Tenant contractors may be liable:

1. Claims under workers' compensation, disability benefit and other similar employee benefit acts which are applicable to the Tenant Work to be performed.
2. Claims for damages because of bodily injury, occupational sickness or disease, or death of employees under any applicable employer's liability law.
3. Claims for damages because of bodily injury, or death of any person other than Tenant's or any Tenant contractors' employees.
4. Claims for damages insured by usual personal injury liability coverage which are sustained (a) by any person as a result of an offense directly or indirectly related to the employment of such person by Tenant or any Tenant contractors or (b) by any other person.
5. Claims for damages, other than to the Tenant Work itself, because of injury to or destruction of tangible property, including loss of use therefrom.
6. Claims for damages because of bodily injury or death of any person or property damage arising from the ownership, maintenance or use of any motor vehicle.
7. Tenant shall be responsible for requiring that any contractors, design professionals, consultants and other vendors of every tier hired or working directly or indirectly on Tenant's behalf performing Tenant Work at the Premises (collectively, "Tenant Workers") purchase and maintain such insurance as shall protect Tenant, Landlord and other Additional Insureds (as defined below) from claims that may arise out of such Tenant Work. Tenant Workers include any person directly or indirectly employed by Tenant or any Tenant Worker, or by any person for whose acts Tenant or any Tenant Worker may be liable. Tenant Workers' commercial general liability, automobile liability, pollution liability (if applicable), umbrella or excess liability, employer's liability, workers' compensation, and property insurance shall be written for not less than the limits required hereunder and shall otherwise satisfy all of the other requirements of this Exhibit. Required insurance policies must remain in force until such Tenant Workers' Tenant Work is complete, unless otherwise stipulated in this Exhibit.

Tenant and/or Tenant shall cause Tenant Workers to maintain the following minimum coverages and limits at its own cost and expenses:

1. **Commercial General Liability.** Each Tenant Worker must maintain in full force and effect Commercial General Liability insurance coverage for all premises and operations, products and completed operations under ISO Form CG 00 01 CGL or its then-current equivalent. The following per project minimum limits are required:
  - \$1,000,000 each occurrence;
  - \$1,000,000 damage to rented premises each occurrence;
  - \$1,000,000 personal and advertising injury;
  - \$2,000,000 products and completed operations aggregate; and
  - \$2,000,000 general aggregate.

For Tenant Workers performing construction, design or consulting Tenant Work, broad form insurance coverage is required for premises/operations (including explosion, collapse and underground coverage if the contractor's or subcontractor's Tenant Work involves any underground work), elevators, independent contractors and products, and blanket contractual liability. This policy must include a Designated Construction Projects General Aggregate Limit Endorsement. Endorsements issued as a combination of ISO form CG 20 10 and CG 20 37, or their then-current equivalents, are also required. Such insurance shall be in full force and effect through the later of six (6) years following acceptance of the Tenant Work by Tenant and Landlord and the date on which all applicable statutes of limitations expire. Tenant, Landlord and any other Additional Insureds shall continue to be named as Additional Insureds for the length of such period.

2. **Automobile Liability:** Commercial Automobile Liability insurance is required covering liability arising from the use or operation of any auto (including those owned, hired, rented, leased, borrowed, scheduled or non-owned) is required. Coverage shall be on a broad-based "occurrence" insurance policy form with a combined single limit per accident for bodily injury and property damage is required. Such coverage shall apply to all vehicles and persons, whether accessing the Project with active or passive consent, and shall have limits no less than \$1,000,000 combined single limit. Such limits may be met by use of umbrella and/or excess liability insurance; provided that such coverage follows form with underlying insurance policies.
3. **Pollution Legal Liability:** If any contractor's work involves handling or removal of asbestos or storing, handling, generating, or treating contaminated or Hazardous Materials (as determined by Landlord in its sole and absolute discretion), such contractor shall also carry Pollution Legal Liability insurance. Such coverage shall include bodily injury, sickness, disease, death or mental anguish or shock sustained by any person; property damage (including physical injury to or destruction of tangible property (including the resulting loss of use thereof)), clean-up costs, and the loss of use of

tangible property that has not been physically injured or destroyed; and defense costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such damages. Coverage shall apply to both sudden and non-sudden pollution conditions, including the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants; and contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water. Coverage shall also apply to the transportation and disposal of contaminated or Hazardous Materials. Pollution Legal Liability limits shall not be less than \$1,000,000 per occurrence and \$5,000,000 aggregate.

Claims-made coverage is permitted, provided the policy retroactive date is continuously maintained prior to the commencement date of Tenant Work, coverage is continuously maintained during all periods during which Tenant Work is performed, and thereafter maintained for a minimum period of three years.

4. **Umbrella / Excess Liability.** Each Tenant Worker must maintain in full force and effect Umbrella and/or Excess Liability insurance. Coverage shall follow form with underlying liability insurance policies or be at least as broad as underlying liability coverages. Such coverage shall not be less than \$5,000,000 per occurrence; and \$5,000,000 general aggregate.
5. **Professional Liability.** Each Tenant Worker performing design or other professional services as part of its Tenant Work must maintain in full force and effect Professional Liability Insurance. Claims-made coverage shall be permitted, provided the policy retroactive date is continuously maintained prior to the commencement date of Tenant Work and during all periods during which Tenant Work is performed. Such insurance shall be in full force and effect through the later of six (6) years following acceptance of the Tenant Work by Tenant, Landlord and Owner and the date on which all applicable statutes of limitations expire. Tenant, Landlord, Owner and any other Additional Insureds shall continue to be named as Additional Insureds for the length of such period. Such coverage limits shall not be less than \$2,000,000 per claim and \$4,000,000 general aggregate
6. **Workers' Compensation Insurance.** At all times during the period of construction of the Tenant Improvements, Tenant shall, or shall cause its contractors or subcontractors to, maintain statutory workers' compensation insurance as required by Applicable Laws.
7. **Property.** Each Tenant Worker shall carry Property Insurance to cover its tools and equipment used on the Project.
8. **Waivers of Subrogation.** Any insurance provided pursuant to this Exhibit shall waive subrogation against the Landlord Parties and Tenant shall hold harmless and indemnify the Landlord Parties for any loss or expense incurred as a result of a failure to obtain such waivers of subrogation from insurers. Tenant and each Tenant Worker and its insurers

shall provide waivers of subrogation with respect to all insurance required by the Lease, the Work Letter or this Exhibit.

9. Certificates of Insurance and Notice of Cancellation. The foregoing policies shall contain a provision that coverages afforded under the policies shall not be canceled or not renewed until at least thirty (30) days' prior written notice has been given to the Landlord. Certificates of insurance including required endorsements showing such coverages to be in force shall be filed with Landlord prior to the commencement of any Tenant Work and prior to each renewal. Coverage for completed operations must be maintained for the lesser of ten (10) years and the applicable statute of repose following completion of the Tenant Work, and certificates evidencing this coverage must be provided to Landlord. The minimum A.M. Best's rating of each insurer shall be equivalent or better than "A-, VII". The Landlord Parties shall be named as an additional insureds under Tenant contractors' liability policies, to the extent required by the Lease, the Work Letter or this Exhibit.
10. Primary and Noncontributory. All policies shall be endorsed to provide coverage on a primary and noncontributory basis as respects Owner and all other Additional Insureds. Insurance carried by Owner and all other Additional Insureds shall be secondary and non-contributory to that carried Contractor and any Contractor Party
11. Required Severability of Interests. All required policies shall contain severability of interest clauses stating that, except with respect to limits of insurance, coverage shall apply separately to each insured or additional insured.
12. Failure to Comply with Insurance Requirements. If Tenant or any Tenant Workers fails to take out and maintain required insurance, Landlord may (but shall not be required to) procure such insurance on Tenant or any Tenant Workers behalf, with Landlord's associated costs to be paid by Tenant as Additional Rent. Any costs incurred by Landlord pursuant to this Exhibit shall be reimbursed in full by Tenant.
13. Subcontractors of Any Tier. All subcontractors for Tenant contractors shall carry the same coverages and limits as specified above, unless different limits are reasonably approved by Landlord. Tenant shall incorporate insurance requirement by reference within any contract executed by Tenant and its Contractor, subcontractors of any tier, suppliers, and agents shall cause each to comply with the terms of this Agreement. Tenant shall obtain and verify accuracy in their entirety of certificates of insurance evidencing required coverage prior to permitting performance any Work or services on the property of Landlord. Tenant shall furnish original certificates of insurance with additional insured endorsements from all of its subcontractors, sub-subcontractors, suppliers, and agents as evidence thereof as Landlord may reasonably request. Notwithstanding the foregoing, Tenant shall be entitled to seek acceptance from the Landlord for using subcontractors with less than the minimum insurance requirements herein.

**EXHIBIT C**

**ACKNOWLEDGEMENT OF TERM COMMENCEMENT DATE  
AND TERM EXPIRATION DATE**

This acknowledgement of TERM commencement date and TERM EXPIRATION DATE is entered into as of [\_\_\_\_], 20[\_\_\_], with reference to that certain Lease (the "Lease") dated as of [\_\_\_\_], 20[\_\_\_], by KRONOS BIO, INC., a Delaware corporation ("Tenant"), in favor of BMR-ROGERS STREET LLC, a Delaware limited liability company ("Landlord"). All capitalized terms used herein without definition shall have the meanings ascribed to them in the Lease.

Tenant hereby confirms the following:

1. Tenant accepted possession of the Premises for use in accordance with the Permitted Use on [\_\_\_\_], 20[\_\_\_]. Tenant first occupied the Premises for the Permitted Use on [\_\_\_\_], 20[\_\_\_].
2. The Premises are in good order, condition and repair.
3. The Tenant Improvements are Substantially Complete.
4. All conditions of the Lease to be performed by Landlord as a condition to the full effectiveness of the Lease have been satisfied, and Landlord has fulfilled all of its duties in the nature of inducements offered to Tenant to lease the Premises.
5. In accordance with the provisions of Article 4 of the Lease, the Term Commencement Date is [\_\_\_\_], 20[\_\_\_], and, unless the Lease is terminated prior to the Term Expiration Date pursuant to its terms, the Term Expiration Date shall be [\_\_\_\_], 20[\_\_\_].
6. The Lease is in full force and effect, and the same represents the entire agreement between Landlord and Tenant concerning the Premises[, except [\_\_\_\_]].
7. To Tenant's knowledge, Tenant has no existing defenses against the enforcement of the Lease by Landlord, and there exist no offsets or credits against Rent owed or to be owed by Tenant.
8. The obligation to pay Rent is presently in effect and all Rent obligations on the part of Tenant under the Lease commenced to accrue on [\_\_\_\_], 20[\_\_\_], with Base Rent payable on the dates and amounts set forth in the chart below:

<b><u>Dates</u></b>	<b><u>Approximate Square Feet of Rentable Area</u></b>	<b><u>Base Rent per Square Foot of Rentable Area</u></b>	<b><u>Monthly Base Rent</u></b>	<b><u>Annual Base Rent</u></b>
[___]/[___]/[___]-	40,514	\$100.00 annually	\$337,616.67	\$4,051,400.00

[ ]/[ ]/[ ]				
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9. The undersigned Tenant has not made any prior assignment, transfer, hypothecation or pledge of the Lease or of the rents thereunder or sublease of the Premises or any portion thereof.

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IN WITNESS WHEREOF, Tenant has executed this Acknowledgment of Term Commencement Date and Term Expiration Date as of the date first written above.

TENANT:

KRONOS BIO, INC.,  
a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT D**  
**FORM OF LETTER OF CREDIT**

[attached]

D-2-1

**IRREVOCABLE STAND BY LETTER OF CREDIT**

Letter of Credit No.: **TBD-TBD**

Dated: **February 24, 2020**

BMR-Rogers Street LLC ("Beneficiary")  
17190 Bernardo Center Drive  
San Diego, CA 92128  
Attn: Legal Department

Ladies and Gentlemen:

At the request and for the account of **Kronos Bio Inc.** ("Applicant"), we hereby establish in your favor our irrevocable standby letter of credit in an aggregate amount not to exceed **Two Million Twenty-Five Thousand Seven Hundred and 02/100 US Dollars (US \$2,025,700.02)** available for payment by your draft upon presentation to us of the following:

1. This original signed letter of credit together with all executed written amendments hereto.
2. An original signed and dated drawing certificate from you addressed to us in the form annexed hereto as **Exhibit A** (after complying with all instructions in brackets contained therein).

Drawing certificates shall be drawn on us and presented via courier, mail, or nationally recognized overnight courier to us at the Letter of Credit Office (as hereinafter defined) at or before 5:00 p.m., local time of the Letter of Credit Office, on a Business Day (as hereinafter defined) occurring not later than the Expiration Date (as hereinafter defined). As used herein: "**Letter of Credit Office**" means our office located at 1888 Century Park East, 2<sup>nd</sup> Floor, Los Angeles, CA 90067, Attn: Business Banking; and "**Business Day**" means any day other than a Saturday, Sunday or other day on which the Letter of Credit Office is not open for business or on which commercial banks are authorized or required to close, or are in fact closed, under the laws of California.

All drawing certificates drawn under this letter of credit shall contain the above-referenced letter of credit number. We agree that all drawing certificates drawn on us under and in compliance with the terms of this letter of credit will be duly honored by us not later than one (1) Business Day following presentation to the letter of Credit Office. Our obligation hereunder is our individual obligation and is not contingent upon reimbursement. We will pay all drawings under this letter of Credit with our own funds and not with funds derived from Applicant or a subsidiary or affiliate thereof.

This standby letter of credit expires on **February 24, 2021** (the date on which this standby letter of credit expires is referred to herein as the "**Expiration Date**"); however, the Expiration Date shall automatically be extended, without the necessity of any amendment to this letter of credit, to **February 24th** in each succeeding calendar year up to but not beyond **February 28, 2031**, unless you received from us written notice no later than **sixty (60)** days before the then existing Expiration Date that we have elected not to renew this letter of credit (the "**Non-Renewal Notice**"). The Non-Renewal Notice shall be sent to you by a nationally-recognized overnight courier service to the address set forth above or at such other address as you may have notified us in writing. Any Non-Renewal Notice shall be deemed received by you on the date of confirmed delivery to you or confirmed refusal by you to accept delivery.

Partial and multiple drawings under this letter of credit are permitted. If a partial drawing is made, we will promptly return the original letter of credit to Beneficiary to facilitate subsequent drawings; we at our option may note on the letter of credit the amount of such partial drawing. The amount of this letter of credit shall be automatically and permanently reduced, without amendment by the amount of each drawing paid hereunder.

This letter of credit may be reduced at the written request of the Beneficiary. Upon our receipt of each reduction certificate in the form annexed hereto as **Exhibit B** (after complying with all instructions in brackets contained therein,) the amount of this letter of credit shall be automatically and permanently reduced, without amendment, by the amount of the reduction requested.

This letter of credit is transferable in the full amount available for drawing hereunder at the time of such transfer and only to a single transferee. Transfer of this letter of credit by the existing Beneficiary is subject to our receipt of Beneficiary's notice of

transfer in the form annexed hereto as **Exhibit C** (after complying with all instructions in brackets contained therein) along with the original of this letter of credit (and any amendments thereto).

Notwithstanding the foregoing, no transfer of this letter of credit may be made to a person or entity (a "transferee") who is, and we may refuse to honor any attempted transfer to any proposed transferee whom we determine to be, a specially designated national terrorist or narcotics trafficker, a blocked entity, or a person or entity with respect to which transactions are prohibited or otherwise restricted, or which is located in or a national of a country with respect to which transactions are prohibited or restricted, pursuant to the Foreign Assets Control Regulations of the United States Treasury Department.

Standard fees apply for each reduction, transfer, renewal and/or partial draw of this letter of credit (in each of the foregoing circumstances, solely to the extent expressly permitted hereby), which fees are payable by Applicant. Applicant's failure to pay such fees shall not delay or impede any of the above actions.

We may accept documents which appear on their face to be in order without responsibility for further investigation (even as regards any purported default by Applicant) regardless of any notice or information to the contrary.

This letter of credit is subject to and governed by the International Standby Practices 1998 of the International Chamber of Commerce, Publication 590 or to any subsequent version of such publication as in effect on the date hereof ("ISP98") and, as to matters not covered therein and not inconsistent therewith, the internal laws of California, including, without limitation, the Uniform Commercial Code as from time to time in effect in such jurisdiction.

**First Republic Bank**

**By:** \_\_\_\_\_  
**Name:** \_\_\_\_\_  
**Title:** \_\_\_\_\_

[EXHIBIT TO BE TYPED ON BENEFICIARY'S LETTERHEAD]  
IRREVOCABLE STANDBY LETTER OF CREDIT DRAWING CERTIFICATE

**First Republic Bank**  
1888 Century Park East, 2<sup>nd</sup> Floor  
Los Angeles, CA 90067  
Attn: Business Banking

Re: Irrevocable Standby Letter of Credit No. [insert Letter of Credit No.], dated [insert date], issued by First Republic Bank (the "Letter of Credit") for the account of [insert name of applicant] ("Applicant")  
Ladies and Gentlemen:

The undersigned, being the beneficiary ("Beneficiary") (or a duly authorized representative thereof) of the letter of Credit, hereby:

- (a) demands payment from you in the amount of [insert amount in words] US Dollars (US\$[insert amount in figures]) under the Letter of Credit, and
- (b) certifies to you that the amount demanded represents funds due and owing from Applicant to Beneficiary under one or more transactions and/or agreements/leases with Applicant.

Each capitalized term used but not otherwise defined herein has the meaning ascribed thereto in the letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and delivered this original certificate as of [insert date].

Very truly yours,

[insert name of Beneficiary and date of this Drawing Certificate]

By: [insert signature]  
Name: [insert name]  
Title: [insert title]  
Date: [insert date]

[EXHIBIT TO BE TYPED ON BENEFICIARY'S LETTERHEAD]  
IRREVOCABLE STANDBY LETTER OF CREDIT REDUCTION CERTIFICATE

**First Republic Bank**  
1888 Century Park East, 2<sup>nd</sup> Floor  
Los Angeles, CA 90067  
Attn: Business Banking

Re: Irrevocable Standby Letter of Credit No. [Insert Letter of Credit No.], dated [insert date], issued by First Republic Bank (the "Letter of Credit") for the account of [Insert name of applicant] ("Applicant"), with the current amount available for drawing thereunder being [insert in words current amount available for drawing under the Letter of Credit] US Dollars (US\$[insert in figures current amount available for drawing under the Letter of Credit]).

Ladies and Gentlemen:

The undersigned, being the beneficiary ("Beneficiary") (or a duly authorized representative thereof) of the Letter of Credit, hereby unconditionally and irrevocably requests that you decrease the amount available for drawing under the Letter of Credit by [Insert amount in words] US Dollars (US\$[insert amount in figures]), resulting in the amount available for drawing under the Letter of Credit to be reduced to [insert in words reduced amount available for drawing under the Letter of Credit] US Dollars (US\$[insert in figures reduced amount available for drawing under the Letter of Credit]).

IN WITNESS WHEREOF, the undersigned has executed and delivered this original certificate as of the [Insert date].

Very truly yours,

[insert name of Beneficiary and date of this Reduction Certificate]

By: [insert signature]

Name: [insert name]

Title: [insert title]

Date: [insert date]

Requested reduction hereby acknowledged:

**FIRST REPUBLIC BANK**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

[EXHIBIT TO BE TYPED ON BENEFICIARY'S LETTERHEAD]

NOTICE OF TRANSFER OF ENTIRE  
IRREVOCABLE STANDBY LETTER OF CREDIT

**First Republic Bank**  
1888 Century Park East, 2<sup>nd</sup> Floor  
Los Angeles, CA 90067  
Attn: Business Banking

Re: Irrevocable Standby Letter of Credit No. [insert Letter of Credit No.], dated [insert date], issued by First Republic Bank (the "Letter of Credit") for the account of [insert name of applicant] ("Applicant")

Ladies and Gentlemen:

For value received, the undersigned, being the beneficiary ("Beneficiary") (or a duly authorized representative thereof) of the Letter of Credit, hereby irrevocably assigns and transfers all of the Beneficiary's rights under the letter of Credit, as previously and hereafter amended, supplemented and/or otherwise modified, to:

[insert full name and address of transferee]

By this transfer, all of our rights in the Letter of Credit are transferred to the transferee, and the transferee shall have the sole rights as beneficiary under the Letter of Credit, including sole rights relating to any amendments, whether extensions or other amendments, and whether now existing or hereafter made. You are hereby irrevocably instructed to advise future amendment(s) of the letter of Credit to the transferee without our consent or notice to us.

The original Letter of Credit is herewith returned with all amendments to this date. Please notify the transferee in such form as you deem advisable of this transfer and of the terms and conditions to this letter of Credit, including amendments as transferred.

Very truly yours,

[insert name of Beneficiary and date of this Notice of Transfer]

By: [insert signature]  
Name: [insert name]  
Title: [insert title]  
Date: [insert date]

Requested reduction hereby acknowledged:

**FIRST REPUBLIC BANK**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## EXHIBIT E

### RULES AND REGULATIONS

NOTHING IN THESE RULES AND REGULATIONS ("RULES AND REGULATIONS") SHALL SUPPLANT ANY PROVISION OF THE LEASE. IN THE EVENT OF A CONFLICT OR INCONSISTENCY BETWEEN THESE RULES AND REGULATIONS AND THE LEASE, THE LEASE SHALL PREVAIL.

1. No Tenant Party shall encumber or obstruct the common entrances, lobbies, elevators, sidewalks and stairways of the Building(s) or the Project or use them for any purposes other than ingress or egress to and from the Building(s) or the Project.
2. Except as specifically provided in the Lease, no sign, placard, picture, advertisement, name or notice shall be installed or displayed on any part of the outside of the Premises or the Building without Landlord's prior written consent. Landlord shall have the right to remove, at Tenant's sole cost and expense and without notice, any sign installed or displayed in violation of this rule.
3. If Landlord objects in writing to any curtains, blinds, shades, screens, hanging plants or other similar objects attached to or used in connection with any window or door of the Premises or placed on any windowsill, and (a) such window, door or windowsill is visible from the exterior of the Premises and (b) such curtain, blind, shade, screen, hanging plant or other object is not included in plans approved by Landlord, then Tenant shall promptly remove such curtains, blinds, shades, screens, hanging plants or other similar objects at its sole cost and expense.
4. Deliveries shall be made no earlier than 7 a.m. and no later than 6 p.m., and shall comply with the City of Cambridge Truck Traffic and Noise Ordinance. No deliveries shall be made that impede or interfere with other tenants in or the operation of the Project. Movement of furniture, office equipment or any other large or bulky material(s) through the Common Area shall be restricted to such hours as Landlord may designate and shall be subject to reasonable restrictions that Landlord may impose. Tenant will ensure all overhead loading dock doors are secured after receipt of any delivery. Tenant must accept all deliveries. Building personnel, security or Landlord's third party contractors will not accept any deliveries on behalf of Tenant.
5. Tenant shall not place a load upon any floor of the Premises that exceeds the load per square foot that (a) such floor was designed to carry or (b) is allowed by Applicable Laws. Fixtures and equipment that cause noises or vibrations that may be transmitted to the structure of the Building to such a degree as to be objectionable to other tenants shall be placed and maintained by Tenant, at Tenant's sole cost and expense, on vibration eliminators or other devices sufficient to eliminate such noises and vibrations to levels reasonably acceptable to Landlord and the affected tenants of the Project.
6. Tenant shall not use any method of HVAC other than that shown in the Tenant Improvement plans approved in writing by Landlord.



7. Tenant shall not install any radio, television or other antennae; cell or other communications equipment; or other devices on the roof or exterior walls of the Premises except in accordance with the Lease. Tenant shall not interfere with radio, television or other digital or electronic communications at the Project or elsewhere.
8. Canvassing, peddling, soliciting and distributing handbills or any other written material within, on or around the Project (other than within the Premises) are prohibited. Tenant shall cooperate with Landlord to prevent such activities by any Tenant Party.
9. The loading dock shall be used for all deliveries. All persons parking at the loading dock must adhere to a thirty (30) minute limit when making deliveries. Vehicles left unattended beyond the time limit are subject to towing at the vehicle owner's expense. Landlord shall not be responsible for damage to vehicles, businesses or personnel incurred due to parking or loading dock operations.
10. Except as otherwise permitted under the Lease, Tenant shall not mark, paint, drill into or in any way deface any part of the Building or Premises. No boring, driving of nails or screws, cutting or stringing of wires shall be permitted except with Landlord's prior written consent, which Landlord shall not unreasonably withhold, or as Landlord may direct.
11. Tenant shall only discharge industrial sewage if Tenant, at its sole cost and expense, obtains all necessary permits and licenses therefor, including (without limitation) permits from State and local authorities having jurisdiction thereover.
12. Tenant shall store all of its trash, garbage and Hazardous Materials in receptacles within its Premises or in receptacles designated by Landlord outside of the Premises. Tenant shall not place in any such receptacle any material that cannot be disposed of in the ordinary and customary manner of trash, garbage and Hazardous Materials disposal. Any Hazardous Materials transported through Common Area shall be held in secondary containment devices. Tenant shall be responsible, at its sole cost and expense, for Tenant's removal of its Hazardous Materials. Tenant is encouraged to participate in the waste removal and recycling program in place at the Project.
13. The Premises shall not be used for lodging or for any improper purpose. No cooking shall be done or permitted in the Premises; provided, however, that Tenant may use (a) equipment approved in accordance with the requirements of insurance policies that Landlord or Tenant is required to purchase and maintain pursuant to the Lease for brewing coffee, tea, hot chocolate and similar beverages, (b) microwave ovens for employees' use and (c) equipment shown on Tenant Improvement plans approved by Landlord; provided, further, that any such equipment and microwave ovens are used in accordance with Applicable Laws.
14. Tenant shall not, without Landlord's prior written consent, use the name of the Project, if any, in connection with or in promoting or advertising Tenant's business except as Tenant's address.
15. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any Governmental Authority.

16. Tenant assumes any and all responsibility for protecting the Premises from theft, robbery and pilferage, which responsibility includes keeping doors locked and other means of entry to the Premises closed.
17. Tenant shall not modify any locks to the Premises without Landlord's prior written consent, which consent Landlord shall not unreasonably withhold, condition or delay. Tenant shall furnish Landlord with copies of access cards for locks to the Premises.
18. Tenant shall cooperate and participate in all reasonable security programs affecting the Premises.
19. Tenant shall not permit any animals in the Project, other than for guide animals or for use in laboratory experiments.
20. Bicycles shall not be taken into the Building (including the elevators and stairways of the Building) except into areas designated by Landlord.
21. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags or other substances shall be deposited therein.
22. Discharge of industrial sewage shall only be permitted if Tenant, at its sole expense, first obtains all necessary permits and licenses therefor from all applicable Governmental Authorities.
23. Smoking is prohibited at the Project, except in designated outdoor areas, if any.
24. The Project's hours of operation are currently 24 hours a day, seven days a week.
25. Tenant shall comply with all orders, requirements and conditions now or hereafter imposed by Applicable Laws or Landlord ("Waste Regulations") regarding the collection, sorting, separation and recycling of waste products, garbage, refuse and trash generated by Tenant (collectively, "Waste Products"), including (without limitation) the separation of Waste Products into receptacles reasonably approved by Landlord and the removal of such receptacles in accordance with any collection schedules prescribed by Waste Regulations.
26. Tenant, at Tenant's sole cost and expense, shall cause the Premises to be exterminated on a monthly basis to Landlord's reasonable satisfaction to the extent necessary and shall cause all portions of the Premises used for the storage, preparation, service or consumption of food or beverages to be cleaned daily in a manner reasonably satisfactory to Landlord, and to be treated against infestation by insects, rodents and other vermin and pests whenever there is evidence of any infestation. Tenant shall not permit any person to enter the Premises or the Project for the purpose of providing such extermination services, unless such persons have been approved by Landlord. If requested by Landlord, Tenant shall, at Tenant's sole cost and expense, store any refuse generated in the Premises by the consumption of food or beverages in a cold box or similar facility.
27. If Tenant desires to use any portion of the Common Area for a Tenant-related event, Tenant must notify Landlord in writing at least thirty (30) days prior to such event on the form attached as Attachment 1 to this Exhibit, which use shall be subject to Landlord's prior written consent, not to be unreasonably withheld, conditioned or delayed.

Notwithstanding anything in this Lease or the completed and executed Attachment 1 to the contrary, Tenant shall be solely responsible for setting up and taking down any equipment or other materials required for the event, and shall promptly pick up any litter and report any property damage to Landlord related to the event. Any use of the Common Area pursuant to this Section shall be subject to the provisions of Article 28 of the Lease.

Landlord may waive any one or more of these Rules and Regulations for the benefit of Tenant or any other tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of Tenant or any other tenant, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Project, including Tenant. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms covenants, agreements and conditions of the Lease. Landlord reserves the right to make such other and reasonable additional rules and regulations as, in its judgment, may from time to time be needed for safety and security, the care and cleanliness of the Project, or the preservation of good order therein; provided, however, that Tenant shall not be obligated to adhere to such additional rules or regulations until Landlord has provided Tenant with written notice thereof. Tenant agrees to abide by these Rules and Regulations and any such additional rules and regulations issued or adopted by Landlord. Tenant shall be responsible for the observance of these Rules and Regulations by all Tenant Parties.

**ATTACHMENT 1 TO EXHIBIT E**  
**REQUEST FOR USE OF COMMON AREA**  
**REQUEST FOR USE OF COMMON AREA**

Date of Request: \_\_\_\_\_  
Landlord/Owner: \_\_\_\_\_  
Tenant/Requestor: \_\_\_\_\_  
Property Location: \_\_\_\_\_  
Event Description: \_\_\_\_\_  
\_\_\_\_\_

Proposed Plan for Security & Cleaning: \_\_\_\_\_  
\_\_\_\_\_

Date of Event: \_\_\_\_\_

Hours of Event: (to include set-up and take down): \_\_\_\_\_

Location at Property (see attached map): \_\_\_\_\_

Number of Attendees: \_\_\_\_\_

Open to the Public?       YES                       NO

Food and/or Beverages?                       YES                       NO

If YES:

• Will food be prepared on site?                       YES                       NO

• Please describe: \_\_\_\_\_

• Will alcohol be served?                       YES                       NO

• Please describe: \_\_\_\_\_

- Will attendees be charged for alcohol?  YES  NO
- Is alcohol license or permit required?  YES  NO
- Does caterer have alcohol license or permit:  YES  NO  N/A

Other Amenities (tent, booths, band, food trucks, bounce house, etc.): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Other Event Details or Special Circumstances: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

The undersigned certifies that the foregoing is true, accurate and complete and he/she is duly authorized to sign and submit this request on behalf of the Tenant/Requestor named above.

[INSERT NAME OF TENANT/REQUESTOR]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT F**

**PTDM**

*(see attached)*



**CITY OF CAMBRIDGE • EXECUTIVE DEPARTMENT**

*Robert W. Healy, City Manager Richard C. Rossi, Deputy City Manager*

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**PTDM Ordinance – AMENDMENT – FINAL DECISION**

**Project:** 301 Binney Street - 320 Bent Street

**Project Number:** F-14, Amendment #3

**Applicant:** Rogers Street, LLC.

**Contact:** Daniel Winny

**Address:** c/o Lyme Properties, 101 Main Street, 18<sup>th</sup> Floor, Cambridge, MA 02142

**Date of Application:** 4/11/02

**Decision Deadline:** 6/10/00

**Date of Issue:** 5/24/02

This form indicates the FINAL decision of the Parking and Transportation Demand Management Planning Officer with respect to the PTDM plan submitted for the project listed above. Please review the enclosed attachments, which include information about ongoing monitoring and reporting relative to this project.

**Decision:**

- Approve (attachment: approval letter and copy of plan)
- Approve with Conditions (attachment: letter of conditions and copy of plan)
- Deny (attachment: reason for denial and copy of plan)

/s/ Catherine E. Preston

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Catherine E. Preston, AICP  
PTDM Planning Officer



CITY OF CAMBRIDGE • EXECUTIVE DEPARTMENT

*Robert W Healy, City Manager Richard C. Rossi, Deputy City Manager*

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May 24, 2002

Daniel Winny  
Lyme Properties  
101 Main Street, 18<sup>th</sup> Floor  
Cambridge, MA 02142

Dear Mr. Winny:

The attached form indicates the final decision on the Parking and Transportation Demand Management plan for the project located at 301 Binney Street - 320 Bent Street. The final decision is an approval with conditions reflecting changes that must be made to your plan. This letter spells out the conditions that are placed on your plan, as well as recommendations for additional TDM programs that may improve your non-SOV mode split. The last section lays out more details about implementation of the monitoring and reporting program that is required as par of your plan.

**Plan Conditions**

The following conditions are placed on the PTDM plan for 301 Binney Street - 320 Bent Street:

The revised plan does not address the mode split commitment, or appropriate TDM measures, for patrons of the retail and/or restaurant portions of the project. The SOV mode split commitments for non-employee trips are derived from the 1995 Nationwide Personal Transportation Survey (NPTS), adjusted for Cambridge Census Tracts. The NPTS SOV rate for restaurants nationwide is 25%. Using an adjustment factor of 0.770 (the ratio of SOV commuting rates in this Census tract to the National rates), we get a baseline restaurant patron mode split of 19% SOV. Similarly, the NPTS SOV rates for shopping trips nationwide is 46%. Using the same adjustment factor, we get a baseline retail patron mode split of 35%. Then, to both of these mode splits, we apply the standard 10% reduction, resulting in a 17% SOV mode split for restaurant patrons and a 32% SOV mode split for retail patrons.

- **CONDITION:** The mode split commitment for patrons of a restaurant shall be 17% SOV. The mode split commitment for patrons of a retail establishment shall be 32% SOV. If other non-office uses are proposed, the applicant shall consult the PTDM Planning Officer to determine the appropriate mode split commitment.



- **CONDITION:** Restaurant and retail tenants shall be required to emphasize the location's accessibility via transit in all advertising materials. In the event that the mode split for patrons of these uses is not met, additional reasonable measures shall be undertaken to meet this mode split.

#### **Additional Recommendations**

In addition to the conditions listed above, I am recommending the implementation of the following additional TDM measures. If the current plan fails to reach the stated mode split goal, implementing these programs will help to achieve that goal.

- Charge employees for the full cost of their parking directly.
- Implement financial incentives for walking and bicycling.

#### **Monitoring and Reporting**

Mode split information shall be monitored and reported annual. Driveway counts and parking utilization shall be reported every two years. If the certificate of occupancy is issued between September 1 and February 29, the monitoring shall take place during the months of September or October and be reported to the PTDM Planning Officer no later than November 30. If the certificate of occupancy is issued between March 1 and August 31, monitoring shall take place during the months of April or May and be reported to the PTDM Planning Officer no later than June 30. This will ensure that the monitoring captures a realistic assessment of the performance of the project, while giving time to compile the results and report them to the City.

It is important to note that while approvals under the PTDM ordinance are transferable by and among private parties, this is contingent upon the new owner agreeing to continue to operate under the existing PTDM plan. Should the owner elect to transfer all or some portion of the project, Section 10.18.050 (g) of the PTDM ordinance would apply.

I look forward to working with you in the future as you implement the elements of this plan. If you have any questions, please feel free to contact me by phone at 617-349-4673 or by email at [cpreston@ci.cambridge.ma.us](mailto:cpreston@ci.cambridge.ma.us).

Sincerely,

/s/ Catherine E. Preston

Catherine E. Preston, AICP

Parking and Transportation Demand Management Officer

cc: B. Rubenstein  
S. Rasmussen  
S. Clippinger  
J. Schrieber

**PARKING AND TRANSPORTATION DEMAND MANAGEMENT PLAN**

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**PROPOSED RESEARCH AND DEVELOPMENT/RETAIL BUILDINGS  
301 BINNEY STREET AND 320 BENT STREET  
CAMBRIDGE, MASSACHUSETTS**

*Prepared for:*

ROGERS STREET, LLC  
Cambridge, MA

May 2002

*Prepared by:*

VANASSE & ASSOCIATES, INC.  
10 New England Business Center Drive, Suite 314  
Andover, MA 01810  
(978) 474-8800

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INTERDEPARTMENTAL PARKING FACILITY REGISTRATION FORM

1.) Name and address of parking facility: Binney Street Garage
301 Binney Street, Cambridge, MA 02142 Telephone:
2.) Location of parking facility according to Assessing Department: Block No 31 Lot No.(s) 8,12, and 13

Application must include a signed and dated scale layout of the parking facility with lot lines, driveways, curb cuts, parking stalls, loading zones, building entrances/exits, pedestrian walkways, bicycle storage, etc.

3.) Name and address of property owner: Rogers Street, LLC, C/O Lyme Properties, LLC
101 Main Street, 18th Floor, Cambridge, MA 02142 Telephone: 617-225-0909
4.) Name and address of parking facility operator: Rogers Street, LLC, C/O Lyme Properties, LLC
101 Main Street, 18th Floor, Cambridge, MA 02142 Telephone: 617-225-0909
5) Will any of the users be located off-site? Yes No

If "yes," indicate name and address of off-site user(s): (company, residence, individual, or "general public")

- 6.) Type of Request: New facility Modified facility
7.) Type of Facility: Lot Garage
8.) Type of Use: Commercial (general public for a fee) Accessory2 (with a fee? Yes No) Principal3 (with a fee? Yes No)

932 Lab/Retail;

9.) Number of Parking Spaces Required by Zoning: Minimum 503 Maximum Unlimited for Housing

10.) Number of Current and Proposed Parking Spaces by Type and User(s):

Table with 4 columns: Type, Registered, Proposed, Proposed User(s). Rows include Commercial, Residential, Employee, Customer/Client, Visitor/Guest, Patient, Student.

I hereby certify that all information supplied on this form is true, accurate and complete. I also certify that this information meets the requirements of Article 6 of the Cambridge Zoning Ordinance.

Owner Signature & Title Date Operator Signature & Title Date
Print Name (Owner) & Title Print Name (Operator) & Title

1For questions, contact the Assessing Department at 349-4343 or on the web at www2.ci.cambridge.ma.us/assessor/index.html.
2Accessory use parking only has non-commercial users who are located on-site.
3Principal use parking has a non-commercial user who is located off-site.
4Parking requirements are described in Article 6 of the Cambridge Zoning Ordinance. Call Inspectional Services at 349-6100.
5Pre-existing off-street parking spaces are registered in the City parking inventory. Call the Traffic Department at 349-4745.

APPLICATION IS NOT COMPLETE WITHOUT LAYOUT ATTACHED.

Instructions: First department to receive application should confirm applicant has completed first page and understands that the required sign-offs may be conditional on others in order. After that department completes the top line of this page and any possible sign-off(s), application should be forwarded to next department for sign-off. Each signing department must indicate the approved # of spaces under "parking tally" plus any conditions. The Traffic Department can not sign-off on a building permit until parts 1), 2), and 4) below are signed. Zoning can not review a building permit application until Traffic has signed off. Deeming can not approve a parking license, if required, until parts 1), 2), 3), and 4) below are signed.

Regarding the application for _____, the following approvals must be received:	<u>Parking Tally</u> Proposed: _____ Registered: _____ Conditions: _____		
1) Number of spaces registered in the parking inventory (Info: 349-4745): _____ Commercial _____ Residential _____ Other (employee, visitor, etc.) Signed _____ Department of Traffic, Parking & Transportation _____ Date _____	Registered: _____ Conditions: _____		
2) Facility has approved Parking & Transportation Demand Management Plan (info: 349-4745): _____ <input type="checkbox"/> Yes <input type="checkbox"/> No, not required. Signed _____ Department of Traffic, Parking & Transportation _____ Date _____	PTDM: conditions: _____		
3) Facility has permit form Board of Zoning Appeals (info:349-6100): _____ <input type="checkbox"/> Yes, _____spaces valid until ____/____/____. <input type="checkbox"/> No, not required. Signed _____ Inspectional Services Department _____ Date _____	BZA: conditions: _____		
4) Facility has received a commercial parking permit form the CPCC (info:349-4745): _____ <input type="checkbox"/> Yes, _____spaces valid until ____/____/____. <input type="checkbox"/> No, not required. Signed _____ Department of Traffic, Parking & Transportation _____ Date _____	CPCC: conditions: _____		
5) Facility has received a parking license form the License Commissions (info:349-6100): <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; padding: 2px;"> <input type="checkbox"/> Garage &amp; gasoline storage permit required.                 </td> <td style="width:50%; padding: 2px;"> <input type="checkbox"/> Yes, _____spaces valid until ____/____/____.  <input type="checkbox"/> No, not required.                 </td> </tr> </table> Signed _____ Cambridge License Commission _____ Date _____	<input type="checkbox"/> Garage & gasoline storage permit required.	<input type="checkbox"/> Yes, _____spaces valid until ____/____/____. <input type="checkbox"/> No, not required.	License: conditions: _____
<input type="checkbox"/> Garage & gasoline storage permit required.	<input type="checkbox"/> Yes, _____spaces valid until ____/____/____. <input type="checkbox"/> No, not required.		

To be completed by Inspectional Service or License Commission: \_\_\_\_\_  
Final Approved Number of Spaces

For use by the Traffic Department:  
 Final Parking Inventory Registration: \_\_\_\_\_ Commercial \_\_\_\_\_ Residential \_\_\_\_\_ Other \_\_\_\_\_ Exempt

**FORWARD COPIES TO: DEPARTMENT OF TRAFFIC, PARKING & TRANSPORTATION; INSPECTIONAL SERVICES DEPARTMENT; LICENSE COMMISSION; AND PARKING & TRANSPORTATION DEMAND MANAGEMENT OFFICER.**

**PARKING AND TRANSPORTATION DEMAND  
MANAGEMENT PLAN**

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**PROJECT DESCRIPTION**

The project site is located at 301 Binney Street and 320 Bent Street in Cambridge, Massachusetts. The existing project is permitted for 427,828 square foot (sf) gross floor area (gfa) of telecommunications space, 39,764 sf gfa of lab/research and development (R&D) space, and 41 apartment units (38,502 sf gfa); for a total of 506,094 sf GFA. A Parking and Transportation Demand Management (PTDM) plan for this existing project was approved on June 30, 2000 and amended on January 11, 2002. The building at 320 Bent Street is complete and a Certificate of Occupancy was issued on January 24, 2002. The garage and building at 301 Binney Street, including the housing component whose address is 157 Sixth Street, are currently under construction. A PTDM amendment is now requested to reflect proposed changes in the uses, but not the total sf area of the project. The proposed new uses include 452,592 sf of R&D space, 17,500 sf ancillary retail space, and 36,002 sf of residential space in the two buildings. The 301 Binney Street building will contain 289,852 sf of R&D space, 17,500 sf of retail space, and 36,002 sf of residential space for a total of 343,354 sf. The 320 Bent Street building will contain 162,740 sf of R&D space. It should be noted that the aforementioned square footages are "floor area gross" as defined in the Cambridge Zoning Ordinance. Parking for both buildings will be provided in a 503-space private parking garage situated beneath the building located at 301 Binney Street. Access to the sites will be provided by way of Rogers Street, which is a private way. All truck access to the sites will be from Binney Street by way of Fulkerson Street and Sixth Street. Directional signs will be provided for trucks exiting the development on Rogers Street at Fulkerson Street and at Sixth Street to direct truck traffic to Binney Street from the project site. These signs will consist of a right-turn restriction for trucks exiting the development onto Fulkerson Street and a left-turn restriction for trucks exiting the development onto Sixth Street. The goal of these restrictions is to eliminate project-related truck traffic from the residential areas to the north of the development site. Figure 1 depicts the site location in relation to the existing roadway network.

Detailed Traffic Impact Assessment/Interim Planning Overlay Petition (TIA/IPOP) Analyses were prepared by VAI for both 170 Fulkerson Street and 157 Sixth Street (as 320 Bent Street and 301 Binney Street were previously known) on behalf of Rogers Street, LLC in November 1999 and were subsequently certified by the City as complete. At that time, the 170 Fulkerson Street project (now 320 Bent Street) was to consist of the development of a 135,000 sf office/telecommunications building, with the 157 Sixth Street project (now 301 Binney Street) consisting of 185,000 sf of office/telecommunications space and 180,000 sf of biotechnology space. Parking was to be provided on-site by way of a 233-space private parking garage located beneath the 157 Sixth Street building. During the City approval process for the development sites, the 301 Binney Street site was ultimately approved for 360,000 sf of office/telecommunications space, with the 320 Bent Street site approved for 135,000 sf of



office/telecommunications space (the later increase in square footage from 495,000 sf to 506,094 sf is attributable to the housing units added as an amendment to the 301 Binney Street building permit in compliance with the requirements of the "Larkin" zoning amendment). Parking was reduced to 158 spaces in the originally approved PTDM plan for the projects. A new Traffic Impact Study/Special Permit Criteria Analysis (TIS/SPCA) was prepared by VAI in April 2002 and submitted to the City of Cambridge for the proposed changes of use to the approved 301 Binney Street and 320 Bent Street development programs. The TIS/SPCA for the changes of use was Certified by the City as "complete and reliable" on April 30, 2002.

**PARKING DEMAND ANALYSIS**

A parking demand analysis was conducted for the development consistent with the vehicle-trip-generation calculations and travel mode split assumptions for project traffic as presented in the April 2002 TIS/SPCA. The analysis is based upon minimum City zoning requirements and is summarized in Table 1.

**Table 1  
PARKING DEMAND ANALYSIS**

Type of Use	Parking Space Ratio	Number of Spaces
Residential Use (37 Apartments)	1 per unit	37
R&D (Proposed 452,592 sf)	1 per 1,050 sf	431
General Retail (17,500 sf)	1 per 500 sf	35
Total		503

Based upon the above analysis, the overall parking ratio for the development will be approximately 1 space per 1,006 sf (506,094 sf total space). Parking for the proposed development will be provided in a 503-space private parking garage situated beneath the building located at 301 Binney Street.

**TRAVEL MODE SPLIT COMMITMENT**

The Travel mode split assumptions for the development were determined based on a review of 1990 U.S. Census Data and statistics compiled by the Metropolitan Area Planning Commission (MAPC). The travel mode Split assumptions for the development were approved by the City of Cambridge Traffic, Parking and Transportation Department and are summarized in Table 2.



**Table 2**  
**TRAVEL MODE SPLIT**

Mode of Travel	Proposed Travel Mode Split	
	Residential	R&D Center and Retail
Drive Alone	50	50
Rideshare	6	16
Transit	22	28
Bike	3	1
Walk	19	5
Other	0	0
<b>TOTAL</b>	<b>100</b>	<b>100</b>
Vehicle Occupancy Ratio	1.09	1.09

As shown in Table 2, the project proponent is committed to a 56 percent automobile mode split, which includes a 6 percent rideshare goal for the residential component of the project, and a 66 percent automobile mode split, which includes a 16 percent rideshare goal for the R&D and retail components of the project. The single-occupant vehicle (SOV) commitment is 50 percent for the entire development. The project proponent will monitor conditions to insure compliance with the mode split commitments. The monitoring and reporting system is documented later in this report.

**PUBLIC TRANSPORTATION**

The project site is ideally situated to take advantage of public transportation (transit) services in the area provided by the Massachusetts Bay Transit Authority- (MBTA). The MBTA currently operates five public bus routes that serve the immediate vicinity of the project site. In addition, the Kendall Square Station on the Red Line and Lechmere Station on the Green Line are located within walking distance of the project site. Two shuttle bus services also operate in the vicinity of the project sites. The Galleria Shuttle originates in Kendall Square on Main Street and travels on Main Street, Galileo Galilei Way, Broadway, and Third Street, with connections to the Galleria Mall. The EZ-Ride shuttle originates from Cambridgeport and travels to North Station, with stops along Broadway, Kendall Square, Sixth Street, Third Street, and at Lechmere Station. The following measures will be implemented by the project proponent in order to encourage the use of public transportation by employees, residents and visitors of the planned development:

- MBTA bus and subway schedules will be available on-site
- MBTA passes will be sold on-site
- Tenants will be encouraged to provide 100 percent transit subsidies
- Employers will be encouraged to implement the Commuter Check program

Rogers Street, LLC will join the other Lyme Properties affiliates at Kendall Square and Fort Washington Research Center in contributing to the EZ-Ride shuttle on a proportional basis upon full tenant occupancy of 320 Bent Street and subsequently 301 Binney Street. Lyme Properties will provide a covered bus shelter at an appropriate location on-site.

In addition, Rogers Street, LLC will require tenants to offer 100 percent T-pass subsidies to their employees as long as University Park, Necco, Amgen, Biogen and Tech Square are required by the City of Cambridge to do the same.

Language in tenant leases will state that tenants should discourage the use of single-occupant vehicle commuting and promote the use of alternative modes of transportation and/or alternative work hours. In addition, language in the leases will encourage tenants to subsidize MBTA passes. At a minimum, tenants will be required to provide employees with the Commuter Choice program to the maximum allowed transportation fringe benefits.

#### **BICYCLES AND WALKING**

Bicycle spaces will be provided in a secured area within the 301 Binney Street parking garage. Rogers Street, LLC will provide 50 long-term bicycle spaces in the garage in addition to 29 bicycle spaces for short-term deliveries near entrances, as shown on the site plans. In addition, on-site shower facilities for employees will be provided as part of the required tenant or base building buildout. The overall site plan has been established with a sensitivity towards pedestrian access. The planned development has been designed to be handicapped accessible and sufficient illumination will be provided on-site. The project architect will work with the City of Cambridge Bicycle Coordinator to design long- and short-term bicycle parking and to ensure compliance with City standards. In addition, bicycle maps indicating the location of bicycle facilities in the area will be posted in a central location within the development to encourage bicycle commuting.

At a minimum, the bicycle spaces will:

- Allow the frame and one wheel to be locked to the rack with a high security, U-shaped shackle lock if both wheels are left on the bicycle.
- Be securely anchored.
- Located near a main entrance lobby.
- Be covered.
- Each parking space must be accessible without moving another bicycle - generally, allow for 2 feet by 6 feet for each bicycle parking space with a five foot aisle behind to allow room for maneuvering.
- Short-term bicycle parking will be provided convenient to the primary street level entrance.

In order to encourage pedestrian access to the development and the community, the project proponent will reconstruct sidewalks along the project frontage on Binney Street, Fulkerson Street, Sixth Street, and the Rogers Street entrance in conjunction with the proposed project

#### **RIDESHARING PROGRAM**

Ridesharing refers to encouraging commuters to ride in vehicles with other commuters rather than drive alone to work. Given the number of employees in the area, a coordinated rideshare program could be very successful. The most common forms of ridesharing are carpools and vanpools. The benefits of such programs include less congestion, reduced fuel consumption, and better air quality. In conjunction with other Lyme Properties affiliates, Rogers Street, LLC will do the following:

- Join the local Charles River Transportation Management Association (CRTMA) who provide numerous services including:
  - Computerized carpool/vanpool matching programs
  - Guaranteed ride home program

- Implement joint programs with area tenants, including an annual transportation fair to be held at least once a year.
- Provide a new employee information packet which will be distributed to all employees that will include information about the various TDM programs that are available and the ways in which employees can participate.
- Provide a quarterly bulletin or newsletter reminding employees about the programs and making them aware of any new or modified services.
- Coordinate with CARAVAN which leases commuter vans and provides administrative and organizational assistance.
- Provide preferential parking for car-poolers.
- Install commuter information centers or bulletin boards at one or more prominent locations in each of the subject buildings that would include up-to-date information about the various TDM programs that are available, as well as transit schedules and maps, ridematching forms, and promotional fliers.
- Provide a web site containing a variety of alternative mode information links which employees can use to find information about TDM programs or to obtain information from other sites (such as the MBTA or CARAVAN).

Rogers Street, LLC will designate 47 Spaces for car and vanpool parking on a preferential basis in the garage and will monitor their utilization and adequacy. In addition, Rogers Street, LLC will charge tenants for parking as additional rent independent of base building lease payments.

#### **ALTERNATIVE WORK SCHEDULES**

Flexible work hours allow employees to vary work schedules and reduces peak-hour traffic demands. Tenants of the development will be encouraged to implement flextime policies in order to reduce peak-hour traffic demands associated with the proposed project Of all allowed uses in the Industry A-1 district laboratory R&D provides the most flexible work hours.

#### **MANAGEMENT**

The project proponent will implement several management strategies designed to discourage the use of SOVs and encourage ridesharing and the use of alternative modes of transportation. The following strategies will be implemented by the property management team:

- Provide an on-site transportation coordinator.
- Join the CRTMA.
- Disseminate promotional materials to new employees on ridesharing and public transportation services.
- Provide preferential parking for carpoolers.
- Provide guaranteed ride home program (available through the TMA).
- Work with the City of Cambridge Office of Work Force Development to hire local residents.
- Promote an annual transportation awareness day.
- Develop a newsletter or email for employees in conjunction with the IMA promoting available Transportation Demand Management (TDM) programs.
- Install two electric vehicle charging stands.

These strategies will, be encouraged by tenants pursuant to lease rules and regulations.

## **PARKING**

An on-site parking supply of 1 space per 1,006 sf (506,094 sf total space) will be provided for residents, employees and visitors of the development. This parking ratio is sufficient to accommodate the anticipated parking demands associated with the planned development with implementation of an aggressive TOM program and incentives to use alternative modes of transportation as committed to by the project proponent herein. All of the proposed parking spaces will be accessory to the uses planned within the development, with no commercial spaces provided.

In addition, Rogers Street, LLC will contract with Kendall Square/Cambridge Research Park for 145 spaces if the non-residential demand exceeds 466 spaces. Upon full occupancy by tenants, Lyme Properties will conduct bi-annual parking counts. If additional parking is warranted and Rogers Street, LLC can provide stacked or valet parking on-site, Rogers Street, LLC will amend the PTDM Plan and register the additional parking spaces.

## **MONITORING AND REPORTING**

A monitoring program to document vehicle, pedestrian, and bicycle usage to the development will be provided to the City of Cambridge on an annual basis. The monitoring program, including traffic counts and surveys, will provide detailed information on the travel modes used to travel to work and overall transportation characteristics. The monitoring program will include the following:

- Documentation on MBTA transit pass subsidies and carpooling (annually)
- Measured mode split (annually)
- Morning and evening peak-hour traffic counts at the site driveways (Rogers Street at Fulkerson Street and Rogers Street at Sixth Street) (every two years)
- Twenty-four-hour automatic traffic recorder (ATR) counts at the site driveways (Rogers Street, east of Fulkerson Street, and Rogers Street, west of Sixth Street)- (every two years)
- Documentation relative to coordination with the City of Cambridge Office of Work Force Development to hire local residents.

This information will be provided to the City of Cambridge (based on date of certificate of occupancy), including recommendations to improve the PTDM program for the development, if necessary. In addition, initial employee surveys will be conducted in consultation with the CRTMA to identify employee commuter patterns and bring awareness to new employees of available TDM programs. In the event that the monitoring and reporting plans show that the SOV mode split goals are not being met, the applicant must make reasonable additional efforts to achieve the stated goals.

**CORPORATE OFFICER CERTIFICATION**

I hereby certify that the parking to be provided at this parking facility will be accessory to the uses within the planned development and that no commercial parking spaces will be provided. Should it be desired in the future to provide commercial parking within the facility, a commercial parking permit will be obtained from the City of Cambridge for each space to be used in such manner prior to their use as commercial spaces.

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

City of Cambridge  
Community Development Department  
344 Broadway, Cambridge, MA 02139  
Attention: PTDM Planning Officer

**Parking and Transportation Demand  
Management Plan Property Transfer Form**

Name and Address of Transferee BMR - Rogers Street LLC, 17140 Bernardo Center Dr., Ste 222, SAN Diego, CA 92128 Telephone 858-485-9840 Name and Address of Approval Holder Lyme Properties, 101 Main Street, Cambridge, MA 02142, Telephone 617-253-0909 Name and Address of Facility Rogers St. F-14 Amendment #3, 301 Binney St., 320 Bent St., Cambridge, MA, 02142 Telephone \_\_\_\_\_ Date of Current PTDM Plan Approval May 24, 2002

Date of Current PTDM Plan Approval May 24, 2002

*Instructions for Transferee: Complete either Section A or Section B within thirty (30) days of title transfer. Attach information about changes in use of the parking facility and associated buildings. If completing Section B, attach proposed revisions to approved plan.*

**Section A**

- I certify that I have reviewed and agree to implement the approved Parking and Transportation Demand Management plan for this facility.
- I understand the commitments made in the approved PTDM plan, including the commitment not to exceed a Single-Occupant Vehicle mode split of 50 % for this facility.
- I understand that failure to implement the approved PTDM plan may result in enforcement actions per the Parking and Transportation Demand Management Ordinance.

Transferee Signature and Title	<u>/s/ Gary A. Kreitzer</u>	<u>E V P</u>
Date	<u>May 1, 2007</u>	<u>Executive V.P.</u>

**Section B**

- I understand that the facility being transferred is subject to the Parking and Transportation Demand Management Ordinance. Having reviewed the approved PTDM plan, I believe that revisions to the approved plan are warranted and I am submitting a revised plan for approval. I understand that pending amendment of the approved plan or approval of a replacement plan, the approved plan is still in effect and I am responsible for its implementation.

Transferee Signature and Title \_\_\_\_\_

Date \_\_\_\_\_

**EXHIBIT G**  
**TENANT'S PROPERTY**

None.

**EXHIBIT H**  
**FORM OF ESTOPPEL CERTIFICATE**

To: BMR-Rogers Street LLC  
17190 Bernardo Center Drive  
San Diego, California 92128  
Attention: Legal Department

BioMed Realty, L.P.  
17190 Bernardo Center Drive  
San Diego, California 92128

Re: Certain Premises on the Second Floor (the "Premises") at 301 Binney Street, Cambridge, Massachusetts (the "Property")

The undersigned tenant ("Tenant") hereby certifies to you as follows:

1. Tenant is a tenant at the Property under a lease (the "Lease") for the Premises dated as of [\_\_\_\_], 20[\_\_\_]. The Lease has not been cancelled, modified, assigned, extended or amended [except as follows: [\_\_\_\_]], and there are no other agreements, written or oral, affecting or relating to Tenant's lease of the Premises or any other space at the Property. The lease term expires on [\_\_\_\_], 20[\_\_\_].
2. Tenant took possession of the Premises, currently consisting of [\_\_\_\_] square feet, on [\_\_\_\_], 20[\_\_\_], and commenced to pay rent on [\_\_\_\_], 20[\_\_\_]. Tenant has full possession of the Premises, has not assigned the Lease or sublet any part of the Premises, and does not hold the Premises under an assignment or sublease[, except as follows: [\_\_\_\_]].
3. All base rent, rent escalations and additional rent under the Lease have been paid through [\_\_\_\_], 20[\_\_\_]. There is no prepaid rent[, except \$[\_\_\_\_]][, and the amount of security deposit is \$[\_\_\_\_] [in cash][OR][in the form of a letter of credit]]. Tenant currently has no right to any future rent abatement under the Lease.
4. Base rent is currently payable in the amount of \$[\_\_\_\_] per month.
5. Tenant is currently paying estimated payments of additional rent of \$[\_\_\_\_] per month on account of real estate taxes, insurance, management fees and Common Area maintenance expenses.
6. All work to be performed for Tenant under the Lease has been performed as required under the Lease and has been accepted by Tenant[, except [\_\_\_\_]], and all allowances to be paid to Tenant, including allowances for tenant improvements, moving expenses or other items, have been paid.
7. To Tenant's knowledge, the Lease is in full force and effect, free from default and free from any event that could become a default under the Lease, and Tenant has no claims against



the landlord or offsets or defenses against rent, and there are no disputes with the landlord. Tenant has received no notice of prior sale, transfer, assignment, hypothecation or pledge of the Lease or of the rents payable thereunder[, except [\_\_\_\_\_]].

8. [Tenant has the following expansion rights or options for leasing additional space at the Property: [\_\_\_\_\_]].[OR][Tenant has no rights or options to purchase the Property.]

9. To Tenant's knowledge, no hazardous wastes have been generated, treated, stored or disposed of by or on behalf of Tenant in, on or around the Premises or the Project in violation of any environmental laws.

10. The undersigned has executed this Estoppel Certificate with the knowledge and understanding that [INSERT NAME OF LANDLORD, PURCHASER OR LENDER, AS APPROPRIATE] or its assignee is [acquiring the Property/making a loan secured by the Property] in reliance on this certificate and that the undersigned shall be bound by this certificate. The statements contained herein may be relied upon by [INSERT NAME OF PURCHASER OR LENDER, AS APPROPRIATE], [LANDLORD], BioMed Realty, L.P., and any [other ]mortgagee of the Property and their respective successors and assigns.

Any capitalized terms not defined herein shall have the respective meanings given in the Lease.

Dated this [\_\_\_\_] day of [\_\_\_\_], 20[\_\_\_\_].

KRONOS BIO, INC.,  
a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT I**

**DEFINITION OF OBSOLETE EQUIPMENT**

Obsolete equipment shall mean:

- The equipment is outdated, such that it is not reasonable to continue investing in it, and must be repaired or replaced to be fit for its expected use;
- The equipment is no longer supported by the manufacturer, and must be repaired or replaced to be fit for its expected use;
- Component or compatible parts of the equipment are no longer available;
- The equipment is no longer compatible with other equipment in the Building;
- The cost to replace the equipment is equal to or less than the cost to repair the equipment;
- The equipment poses a safety risk; and/or
- The equipment no longer meets local/state/national guidelines, and must be repaired or replaced to be fit for its expected use

## LICENSE AGREEMENT

This License Agreement (this "Agreement") is entered into as of this 16th day of January, 2018 (the "Effective Date"), by and between **Kronos Bio, Inc.**, a corporation existing under the laws of Delaware, having a place of business at 689 5th Avenue, 12th Floor, New York, NY 10022 ("Licensee") and **President and Fellows of Harvard College**, an educational and charitable corporation existing under the laws and the constitution of the Commonwealth of Massachusetts, having a place of business at Richard A. and Susan F. Smith Campus Center, Suite 727, 1350 Massachusetts Avenue, Cambridge, Massachusetts 02138 ("Harvard").

**WHEREAS**, the technology claimed in the Patent Rights (as defined below) was developed in research conducted by Dr. Stuart Schreiber, an employee of the Howard Hughes Medical Institute ("HHMI") and faculty member at Harvard at the time, together with other researchers at Harvard;

**WHEREAS**, researcher Dr. Kristopher Depew was also an employee of HHMI at the time such technology was developed;

**WHEREAS**, Drs. Schreiber and Depew have assigned to HHMI their interests in the Patent Rights, and HHMI has assigned to Harvard its rights in the Patent Rights, subject to certain rights retained by HHMI as specifically described below;

**WHEREAS**, Licensee wishes to obtain a license under the Patent Rights;

**WHEREAS**, Harvard desires to have products based on the inventions described in the Patent Rights developed and commercialized to benefit the public; and

**WHEREAS**, Licensee has represented to Harvard, in order to induce Harvard to enter into this Agreement, that Licensee shall commit itself to commercially reasonable efforts to develop, obtain regulatory approval for and commercialize such products;

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

### 1. Definitions.

Whenever used in this Agreement with an initial capital letter, the terms defined in this Article 1, whether used in the singular or the plural, shall have the meanings specified below.

**1.1. "Affiliate"** means, with respect to a person, organization or entity, any person, organization or entity controlling, controlled by or under common control with, such person, organization or entity. For purposes of this definition only, "control" of another person, organization or entity will mean the possession, directly or indirectly, of the power to direct or cause the direction of the activities, management or policies of such person, organization or entity, whether through the ownership of voting securities, by contract or otherwise. Without limiting the foregoing, control will be presumed to exist when a person, organization or entity (a) owns or directly controls fifty percent (50%) or more of the outstanding voting stock or other

ownership interest of the other organization or entity or (b) possesses, directly or indirectly, the power to elect or appoint fifty percent (50%) or more of the members of the governing body of the other organization or entity. The parties acknowledge that in the case of certain entities organized under the laws of certain countries outside of the United States, the maximum percentage ownership permitted by law for a foreign investor may be less than fifty percent (50%), and that in such cases such lower percentage will be substituted in the preceding sentence.

**1.2. "Licensed Product"** means on a country-by-country basis, any product, the making, using, selling, offering for sale, importing or exporting in the country in question would (without the license granted hereunder) infringe directly, indirectly by inducement of infringement, or indirectly by contributory infringement, at least one Valid Claim in that country.

**1.3. "Licensed Service"** means any process, method or service, (a) the performance, sale or offer for sale of which process, method or service, or part thereof, would infringe (without the license granted hereunder) at least one Valid Claim in that country or (b) uses a Licensed Product.

**1.4. "Patent Rights"** means: (a) the patents and patent applications listed in Exhibit 1.4; (b) any patent or patent application that claims priority to and is a divisional, continuation, reissue, renewal, reexamination, substitution or extension of any patent application identified in (a); (c) any patents issuing on any patent application identified in (a) or (b), including any reissues, renewals, reexaminations, substitutions or extensions thereof; (d) any claim of a continuation-in-part application or patent (including any reissues, renewals, reexaminations, substitutions or extensions thereof) that is entitled to the priority date of, and is directed specifically to subject matter specifically described in, at least one of the patents or patent applications identified in (a), (b) or (c); (e) any foreign counterpart (including PCTs) of any patent or patent application identified in (a), (b) or (c) or of the claims identified in (d); and (f) any supplementary protection certificates, pediatric exclusivity periods, any other patent term extensions and exclusivity periods and the like of any patents and patent applications identified in (a) through (e).

**1.5. "Valid Claim"** means: (a) a claim of an issued and unexpired patent within the Patent Rights that has not been (i) held permanently revoked, unenforceable, unpatentable or invalid by a decision of a court or governmental body of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, (ii) rendered unenforceable through disclaimer or otherwise, (iii) abandoned or (iv) permanently lost through an interference or opposition proceeding without any right of appeal or review; or (b) a pending claim of a pending patent application within the Patent Rights that (i) has been asserted and continues to be prosecuted in good faith and (ii) has not been abandoned or finally rejected without the possibility of appeal or refiling.

## **2. License Grant.**

**2.1. License.** Subject to the terms and conditions set forth in this Agreement, Harvard hereby grants to Licensee a non-exclusive, worldwide, non-transferable, consideration-bearing

license to its interest in the Patent Rights solely to develop, make, have made, use, market, offer for sale, sell and import Licensed Products and to perform Licensed Services.

**2.2. HHMI.** HHMI has a fully paid-up, non-exclusive, irrevocable, worldwide license to exercise any intellectual property rights with respect to the Patent Rights for research purposes, with the right to sublicense to non-profit and governmental entities (the "**HHMI License**"). Any and all licenses and other rights granted under this Agreement are explicitly made subject to the HHMI License.

**2.3. Affiliates.** The licenses granted to Licensee under Section 2.1 shall include the right to have some or all of Licensee's rights or obligations under this Agreement exercised or performed by one or more of Licensee's Affiliates; provided that:

**2.3.1.** no such Affiliate shall be entitled to grant, directly or indirectly, to any third party any right of whatever nature under, or with respect to, or permitting any use or exploitation of, any of the Patent Rights, including any right to develop, manufacture, market or sell Licensed Products or perform Licensed Services; and

**2.3.2.** any act or omission taken or made by an Affiliate of Licensee under this Agreement shall be deemed an act or omission by Licensee under this Agreement.

**2.4. No Other Grant of Rights.** Except as expressly provided in this Agreement, nothing in this Agreement shall be construed to confer any ownership interest, license or other rights upon Licensee by implication, estoppel or otherwise as to any technology, intellectual property rights, products or biological materials of Harvard or any other entity, regardless of whether such technology, intellectual property rights, products or biological materials are dominant, subordinate or otherwise related to any Patent Rights.

### **3. Development and Commercialization.**

**3.1. Diligence.** Licensee shall use commercially reasonable efforts to develop Licensed Products and Licensed Services and/or to introduce Licensed Products and Licensed Services into the commercial market or to utilize the Patent Rights for its own internal research and development programs.

**3.2. Reporting.** Within sixty (60) days after the end of each calendar year, Licensee shall furnish Harvard with a written report summarizing its and its Affiliates' efforts during the prior year to develop and commercialize Licensed Products and/or Licensed Services, including without limitation: (a) research and development activities; and (b) commercialization efforts. Each report shall contain a sufficient level of detail for Harvard to assess whether Licensee is in compliance with its obligations under Section 3.1 and a discussion of intended efforts for the then current year.

**4. Consideration for Grant of License.**

**4.1. License Issuance Fee.** Licensee agrees to pay Harvard a non-refundable license fee of Ten Thousand U.S. Dollars (\$10,000), due and payable within thirty (30) days after the Effective Date.

**4.2. Annual License Maintenance Fee.** Licensee agrees to pay Harvard annual license maintenance fees as follows:

**4.2.1.** Twenty Thousand U.S. Dollars (\$20,000) due and payable within thirty (30) days after the first anniversary of the Effective Date;

**4.2.2.** Twenty Thousand U.S. Dollars (\$20,000) due and payable within thirty (30) days after the second anniversary of the Effective Date; and

**4.2.3.** Twenty Five Thousand U.S. Dollars (\$25,000) due and payable within thirty (30) days after the third and each subsequent anniversary of the Effective Date during the Term.

**5. Payments.**

**5.1. Payment Currency.** All payments due under this Agreement will be paid in U.S. Dollars. Conversion of foreign currency to U.S. Dollars will be made at the conversion rate existing in the United States (as reported in the Wall Street Journal) on the last working day of the applicable Calendar Quarter. Such payments will be without deduction of exchange, collection, or other charges.

**5.2. Late Payments.** Any payments by Licensee that are not paid on or before the date such payments are due under this Agreement will bear interest at the lower of (a) one and one half percent (1.5%) per month and (b) the maximum rate allowed by law. Interest will accrue beginning on the first day following the due date for payment and will be compounded quarterly. Payment of such interest by Licensee will not limit, in any way, Harvard's right to exercise any other remedies Harvard may have as a consequence of the lateness of any payment.

**5.3. Payment Method.** Each payment due to Harvard under this Agreement shall be paid by check or wire transfer of funds to Harvard's account in accordance with written instructions provided by Harvard. If made by wire transfer, such payments shall be marked so as to refer to this Agreement.

**5.4. Withholding and Similar Taxes.** All amounts to be paid to Harvard pursuant to this Agreement shall be without deduction of exchange, collection, or other charges, and, specifically, without deduction of withholding or similar taxes or other government imposed fees or taxes.

**6. Intellectual Property.**

**6.1. Responsibility.** Harvard shall have sole responsibility for and control over the preparation, filing, prosecution, protection and maintenance of all Patent Rights, and all decision-making authority with regard to Patent Rights shall vest in Harvard (including, without limitation, as to whether to maintain or abandon any patent, patent application or claim thereof within Patent Rights). Harvard shall keep Licensee informed with respect to the course and conduct of patent applications and prosecution matters.

**6.2. Enforcement.** Harvard shall have the right, acting in its sole discretion, to prosecute in its own name and at its own expense any possible or actual infringement of patents related to the Patent Rights. Licensee agrees to notify Harvard of each suspected or confirmed infringement of such patents of which it is or becomes aware. Licensee agrees to reasonably cooperate in any action under this Section 6.2, provided that Harvard will reimburse Licensee for all reasonable costs and expenses incurred by Licensee in connection with providing such assistance.

**6.3. Marking.** Licensee and its Affiliates shall mark all Licensed Products sold or otherwise disposed of by it in the United States with the word "Patent" and the number of all patents included within the Patent Rights that cover such Licensed Products. All Licensed Products shipped or sold in other countries shall be marked in such a manner as to conform with the patent laws and practice of the country to which such products are shipped or in which such products are sold.

**7. Warranties; Limitation of Liability.**

**7.1. Compliance with Law.** Licensee represents and warrants that it will comply, and will ensure that its Affiliates comply, with all local, state, federal and international laws and regulations relating to the development, manufacture, use, sale and importation of Licensed Products and the performance of Licensed Services. Without limiting the foregoing, Licensee represents and warrants that it will comply, and will ensure that its Affiliates comply, with all United States export control laws and regulations controlling the export of certain commodities and technical data, including without limitation all Export Administration Regulations of the United States Department of Commerce. Among other things, these laws and regulations prohibit or require a license for the export of certain types of commodities and technical data to specified countries. Licensee hereby gives written assurance that it will comply with all United States export control laws and regulations, that it bears sole responsibility for its violation of any such laws and regulations, and that it will indemnify, defend, and hold Harvard and HHMI harmless (in accordance with Section 8.1) for the consequences of any such violation.

**7.2. No Warranty.**

**7.2.1.** NOTHING CONTAINED HEREIN SHALL BE DEEMED TO BE A WARRANTY BY HARVARD THAT IT CAN OR WILL BE ABLE TO OBTAIN PATENTS ON PATENT APPLICATIONS INCLUDED IN THE PATENT RIGHTS, OR THAT ANY OF

THE PATENT RIGHTS WILL AFFORD ADEQUATE OR COMMERCIALY WORTHWHILE PROTECTION.

7.2.2. HARVARD MAKES NO WARRANTIES WHATSOEVER AS TO THE COMMERCIAL OR SCIENTIFIC VALUE OF THE PATENT RIGHTS. HARVARD MAKES NO REPRESENTATION THAT THE PRACTICE OF THE PATENT RIGHTS OR THE DEVELOPMENT, MANUFACTURE, USE, SALE OR IMPORTATION OF ANY LICENSED PRODUCT OR THE PERFORMANCE OF LICENSED SERVICES, OR ANY ELEMENT THEREOF, WILL NOT INFRINGE ANY PATENT OR PROPRIETARY RIGHTS.

7.2.3. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY WARRANTY WITH RESPECT TO ANY TECHNOLOGY, PATENTS, GOODS, SERVICES, RIGHTS OR OTHER SUBJECT MATTER OF THIS AGREEMENT AND EACH PARTY HEREBY DISCLAIMS WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT WITH RESPECT TO ANY AND ALL OF THE FOREGOING.

**7.3. Limitation of Liability.**

7.3.1. Except with respect to matters for which Licensee is obligated to indemnify Harvard under Article 8, neither party will be liable to the other with respect to any subject matter of this Agreement under any contract, negligence, strict liability or other legal or equitable theory for (a) any indirect, incidental, consequential or punitive damages or lost profits or (b) cost of procurement of substitute goods, technology or services.

7.3.2. Harvard's aggregate liability for all damages of any kind arising out of or relating to this Agreement or its subject matter under any contract, negligence, strict liability or other legal or equitable theory shall not exceed the amounts paid to Harvard under this Agreement.

**8. Indemnification and Insurance.**

**8.1. Indemnity.**

8.1.1. Licensee shall indemnify, defend and hold harmless Harvard and its current and former directors, governing board members, trustees, officers, faculty, medical and professional staff, employees, students and agents and their respective successors, heirs and assigns (the "Indemnitees") from and against any claim, liability, cost, expense, damage, deficiency, loss or obligation of any kind or nature (including reasonable attorneys' fees and other costs and expenses of litigation) based upon, arising out of or otherwise relating to this Agreement, including any cause of action relating to product liability concerning any product, process or service made, used, sold or performed pursuant to any right or license granted under this Agreement (collectively "Claims"). Neither Licensee nor Harvard shall settle any Claim without the prior written consent of the other, which consent shall not be unreasonably withheld. Licensee shall, at its own expense, provide attorneys reasonably acceptable to Harvard to defend



against any actions brought or filed against any Indemnitee hereunder with respect to the subject of indemnity contained herein, whether or not such actions are rightfully brought.

**8.1.2.** HHMI, and its trustees, officers, employees, and agents (collectively, "HHMI Indemnitees"), will be indemnified, defended by counsel acceptable to HHMI (such acceptance not to be unreasonably withheld), and held harmless by Licensee from and against any claim, liability, cost, expense, damage, deficiency, loss, or obligation, of any kind or nature (including, without limitation, reasonable attorneys' fees and other costs and expenses of defense) (collectively, "HHMI Claims"), based upon, arising out of, or otherwise relating to this Agreement or any sublicense, including without limitation any cause of action relating to product liability. The previous sentence will not apply to any HHMI Claim to the extent that it is determined with finality by a court of competent jurisdiction to result from the gross negligence or willful misconduct of an HHMI Indemnitee. Notwithstanding any other provision of this Agreement, Licensee's obligation to defend, indemnify and hold harmless the HHMI Indemnitees under this paragraph will not be subject to any limitation or exclusion of liability or damages or otherwise limited in any way. The provisions of this Article 8 will survive termination of this Agreement. In the case of an HHMI Indemnitee, notice shall be given reasonably promptly following actual receipt of written notice of an HHMI Claim by an officer or attorney of HHMI. Notwithstanding the foregoing, the delay or failure of an HHMI Indemnitee to give prompt notice to Licensee of any HHMI Claims shall not affect the rights of such HHMI Indemnitee unless, and then only to the extent that, such delay or failure is prejudicial to or otherwise adversely affects Licensee. The HHMI Indemnitees shall (i) permit Licensee, at its sole expense, to control the defense (including litigation and/or settlement) of the HHMI Claims, and (iii) reasonably cooperate with Licensee in the defense of such HHMI Claims, at the Licensee's expense; provided, however, Licensee agrees not to settle any HHMI Claim against an HHMI Indemnitee without HHMI's written consent, where (a) such settlement would include any admission of liability on the part of any HHMI Indemnitee, (b) such settlement would impose any restriction on any HHMI Indemnitee's conduct of any of its activities, or (c) such settlement would not include an unconditional release of all HHMI Indemnitees from all liability for claims that are the subject matter of the settled HHMI Claim. The Licensee will keep HHMI informed of its defense of any HHMI Claims pursuant to this Section 8.1.2 (Indemnity).

## **8.2. Insurance.**

**8.2.1.** Beginning at the time any Licensed Product is being commercially distributed or sold or any Licensed Service is being performed (other than for the purpose of obtaining regulatory approvals) by Licensee, or by an Affiliate or agent of Licensee, Licensee shall, at its sole cost and expense, procure and maintain commercial general liability insurance in amounts not less than \$2,000,000 per incident and \$3,000,000 annual aggregate and naming the Indemnitees and HHMI Indemnitees as additional insureds. During clinical trials of any such Licensed Product, Licensee shall, at its sole cost and expense, procure and maintain commercial general liability insurance in such equal or lesser amount as Harvard shall require, naming the Indemnitees and HHMI Indemnitees as additional insureds. Such commercial general liability

insurance shall provide (a) product liability coverage and (b) broad form contractual liability coverage for Licensee's indemnification obligations under this Agreement.

**8.2.2.** If Licensee elects to self-insure all or part of the limits described above in Section 8.2.1 (including deductibles or retentions that are in excess of \$250,000 annual aggregate) such self-insurance program must be acceptable to Harvard and CRICO/RMF (Harvard's insurer) in their sole discretion. The minimum amounts of insurance coverage required shall not be construed to create a limit of Licensee's liability with respect to its indemnification obligations under this Agreement.

**8.2.3.** Licensee shall provide Harvard with written evidence of such insurance upon request of Harvard. Licensee shall provide Harvard with written notice at least fifteen (15) days prior to the cancellation, non-renewal or material change in such insurance. If Licensee does not obtain replacement insurance providing comparable coverage within such fifteen (15) day period, Harvard shall have the right to terminate this Agreement effective at the end of such fifteen (15) day period without notice or any additional waiting periods.

**8.2.4.** Licensee shall maintain such commercial general liability insurance beyond the expiration or termination of this Agreement during (a) the period that any Licensed Product is being commercially distributed or sold or any Licensed Service is being performed by Licensee or an Affiliate or agent of Licensee and (b) a reasonable period after the period referred to in (a) above, which in no event shall be less than fifteen (15) years.

## **9. Term and Termination.**

**9.1. Term.** The term of this Agreement shall commence on the Effective Date and, unless earlier terminated as provided in this Article 9, shall continue in full force and effect until the expiration of the last to expire Valid Claim (the "Term").

### **9.2. Termination.**

**9.2.1. Termination Without Cause.** Licensee may terminate this Agreement upon sixty (60) days prior written notice to Harvard.

#### **9.2.2. Termination for Default.**

**9.2.2.1.** In the event that either party commits a material breach of its obligations under this Agreement and fails to cure that breach within thirty (30) days after receiving written notice thereof, the other party may terminate this Agreement immediately upon written notice to the party in breach.

**9.2.2.2.** If Licensee defaults in its obligations under Section 8.2 to procure and maintain insurance or, if Licensee has in any event failed to comply with the notice requirements contained therein, then Harvard may terminate this Agreement immediately without notice or additional waiting period.

**9.2.3. Bankruptcy.** Harvard may terminate this Agreement upon notice to Licensee if Licensee becomes insolvent, is adjudged bankrupt, applies for judicial or extra-judicial settlement with its creditors, makes an assignment for the benefit of its creditors, voluntarily files for bankruptcy or has a receiver or trustee (or the like) in bankruptcy appointed by reason of its insolvency, or in the event an involuntary bankruptcy action is filed against Licensee and not dismissed within ninety (90) days, or if the other party becomes the subject of liquidation or dissolution proceedings or otherwise discontinues business.

**9.3. Effect of Termination or Expiration.**

**9.3.1. Termination of Rights.** Upon expiration or termination of this Agreement by either party pursuant to any of the provisions of Section 9.2 the rights and licenses granted to Licensee under Article 2 shall terminate, all rights in and to and under the Patent Rights will revert to Harvard and neither Licensee nor its Affiliates may make any further use or exploitation of the Patent Rights.

**9.3.2. Accruing Obligations.** Termination or expiration of this Agreement shall not relieve the parties of obligations accruing prior to such termination or expiration, including obligations to pay amounts accruing hereunder up to the date of termination or expiration. After the date of termination or expiration (except in the case of termination by Harvard pursuant to Section 9.2), Licensee and its Affiliates (a) may sell Licensed Products then in stock and (b) may complete the production of Licensed Products then in the process of production and sell the same; provided in the case of both (a) and (b) Licensee shall pay the applicable payments to Harvard in accordance with Article 4 and maintain insurance in accordance with the requirements of Section

**9.4. Survival.** The parties' respective rights, obligations and duties under Articles 5, 7 and 8, as well as any rights, obligations and duties which by their nature extend beyond the expiration or termination of this Agreement, shall survive any expiration or termination of this Agreement.

**10. Miscellaneous.**

**10.1. No Security Interest.** Licensee shall not enter into any agreement under which Licensee grants to or otherwise creates in any third party a security interest in this Agreement or any of the rights granted to Licensee herein. Any grant or creation of a security interest purported or attempted to be made in violation of the terms of this Section 10.1 shall be null and void and of no legal effect.

**10.2. Use of Name.** Except as provided below, Licensee shall not, and shall ensure that its Affiliates shall not, use or register the name "Harvard" or "HHMI" (alone or as part of another name) or any logos, seals, insignia or other words, names, symbols or devices that identify Harvard or HHMI or any school, unit, division or affiliate of either ("Names") for any purpose except with the prior written approval of, and in accordance with restrictions required by, Harvard and/or HHMI, as applicable. Without limiting the foregoing, Licensee shall, and shall ensure that its Affiliates shall, cease all use of Names on the termination or expiration of

this Agreement except as otherwise approved by Harvard and/or HHMI, as applicable. This restriction shall not apply to any information required by law to be disclosed.

**10.3. Entire Agreement.** This Agreement is the sole agreement with respect to the subject matter hereof and, except as expressly set forth herein, supersedes all other agreements and understandings between the parties with respect to the same.

**10.4. Notices.** Unless otherwise specifically provided, all notices required or permitted by this Agreement shall be in writing and may be delivered personally, or may be sent by email, expedited delivery or certified mail, return receipt requested, to the following addresses, unless the parties are subsequently notified of any change of address in accordance with this Section 10.4:

If to Licensee:	Kronos Bio, Inc. 689 5th Avenue, 12th Floor New York, NY 10022 Email: notice@kronosbio.com Attn:
If to Harvard:	Office of Technology Development Harvard University Richard A. and Susan F. Smith Campus Center, Suite 727 1350 Massachusetts Avenue Cambridge, Massachusetts 02138 Email: otd@harvard.edu Attn.: Chief Technology Development Officer

Any notice shall be deemed to have been received as follows: (a) by personal delivery or expedited delivery, upon receipt; (b) by email, on the date sent; (c) by certified mail, as evidenced by the return receipt. If notice is sent by email, a confirming copy of the same shall be sent by mail to the same address.

**10.5. Governing Law and Jurisdiction.** This Agreement will be governed by, and construed in accordance with, the substantive laws of the Commonwealth of Massachusetts, without giving effect to any choice or conflict of law provision, except that questions affecting the construction and effect of any patent shall be determined by the law of the country in which the patent shall have been granted. Any action, suit or other proceeding arising under or relating to this Agreement (a "Suit") shall be brought in a court of competent jurisdiction in the Commonwealth of Massachusetts, and the parties hereby consent to the sole jurisdiction of the state and federal courts sitting in the Commonwealth of Massachusetts. Each party agrees not to raise any objection at any time to the laying or maintaining of the venue of any Suit in any of the specified courts, irrevocably waives any claim that Suit has been brought in any inconvenient forum and further irrevocably waives the right to object, with respect to any Suit, that such court does not have any jurisdiction over such party.

**10.6. Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective legal representatives, successors and permitted assigns.

**10.7. Headings.** Section and subsection headings are inserted for convenience of reference only and do not form a part of this Agreement.

**10.8. Counterparts.** The parties may execute this Agreement in two or more counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument. Transmission by facsimile or electronic mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart. If by electronic mail, the executed Agreement must be delivered in a .pdf format.

**10.9. Amendment; Waiver.** This Agreement may be amended, modified, superseded or canceled, and any of the terms may be waived, only by a written instrument executed by each party or, in the case of waiver, by the party waiving compliance. The delay or failure of either party at any time or times to require performance of any provisions hereof shall in no manner affect the rights at a later time to enforce the same. No waiver by either party of any condition or of the breach of any term contained in this Agreement, whether by conduct, or otherwise, in any one or more instances, shall be deemed to be, or considered as, a further or continuing waiver of any such condition or of the breach of such term or any other term of this Agreement.

**10.10. No Agency or Partnership.** Nothing contained in this Agreement shall give either party the right to bind the other, or be deemed to constitute either party as agent for or partner of the other or any third party.

**10.11. Assignment and Successors.** This Agreement may not be assigned by either party without the consent of the other, which consent shall not be unreasonably withheld, except that each party may, without such consent, assign this Agreement and the rights, obligations and interests of such party to any of its Affiliates, to any purchaser of all or substantially all of its assets to which the subject matter of this Agreement relates, or to any successor corporation resulting from any merger or consolidation of such party with or into such corporation; provided, in each case, that the assignee agrees in writing to be bound by the terms of this Agreement. Any assignment purported or attempted to be made in violation of the terms of this Section 10.11 shall be null and void and of no legal effect.

**10.12. Force Majeure.** Except for monetary obligations hereunder, neither party will be responsible for delays resulting from causes beyond the reasonable control of such party, including fire, explosion, flood, war, strike, or riot, provided that the nonperforming party uses commercially reasonable efforts to avoid or remove such causes of nonperformance and continues performance under this Agreement with reasonable dispatch whenever such causes are removed.

**10.13. Interpretation.** Each party hereto acknowledges and agrees that: (a) it and/or its counsel reviewed and negotiated the terms and provisions of this Agreement and has contributed to its revision; (b) the rule of construction to the effect that any ambiguities are

resolved against the drafting party shall not be employed in the interpretation of this Agreement; (c) the terms and provisions of this Agreement shall be construed fairly as to both parties hereto and not in favor of or against either party, regardless of which party was generally responsible for the preparation of this Agreement and (d) the use of "include," "includes," or "including" herein shall not be limiting and "or" shall not be exclusive.

**10.14. Severability.** If any provision of this Agreement is or becomes invalid or is ruled invalid by any court of competent jurisdiction or is deemed unenforceable, it is the intention of the parties that the remainder of this Agreement shall not be affected.

**10.15. HHMI Third Party Beneficiary.** HHMI is not a party to this Agreement and has no liability to Licensee or any licensee, sublicensee, or user of anything covered by this Agreement, but HHMI is an intended third-party beneficiary of this Agreement and certain of its provisions are for the benefit of HHMI and are enforceable by HHMI in its own name.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

**President and Fellows of Harvard College**

By: /s/ Isaac T. Kohlberg  
Name: Isaac T. Kohlberg, Senior Associate Provost  
Title: Chief Technology Development Officer  
Office of Technology Development  
Harvard University

**Kronos Bio, Inc.**

By: /s/ Christopher M. Wilfong  
Name: Christopher M. Wilfong  
Title: Chief Operating Officer

**Exhibit 1.4  
Patent Rights**

[REDACTED]

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated July 31, 2020, in the Registration Statement (Form S-1) and related Prospectus of Kronos Bio, Inc.

/s/ Ernst & Young LLP

San Jose, California

September 18, 2020