UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

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

215 First Street, Suite 200
Cambridge, Massachusetts 02142
(617) 714-0555

Registrant’s telephone number, including area code:

Delaware
(Primary Standard Industrial Classification Code Number)

2834
(I.R.S. Employer Identification Number)

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective.

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, 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.

☐

If an emerging growth company, indicate by check mark whether 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

<table>
<thead>
<tr>
<th>Title of Each Class of Securities to Be Registered</th>
<th>Proposed Maximum Aggregate Offering Price(1)</th>
<th>Amount of Registration Fee(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock, par value $0.0001 per share</td>
<td>$86,250,000</td>
<td>$10,739</td>
</tr>
</tbody>
</table>

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(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 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.
The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state or other jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JUNE 22, 2018

Preliminary prospectus

**Shares**

**Constellation Pharmaceuticals**

This is an initial public offering of common stock by Constellation Pharmaceuticals, Inc. We are selling shares of common stock. The estimated initial public offering price is between $ and $ per share.

Prior to this offering, there has been no public market for our common stock. We have applied to list our common stock on the Nasdaq Global Market under the symbol “CNST.”

We are an emerging growth company as that term is used in the Jumpstart Our Business Startups Act of 2012 and, as such, have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings.

<table>
<thead>
<tr>
<th>Per share</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Initial public offering price</td>
<td>$</td>
</tr>
<tr>
<td>Underwriting discounts and commissions(1)</td>
<td>$</td>
</tr>
<tr>
<td>Proceeds to Constellation, before expenses</td>
<td>$</td>
</tr>
</tbody>
</table>

(1) We have agreed to reimburse the underwriters for certain FINRA-related expenses. See “Underwriting” on page 193.

We have granted the underwriters the right to purchase up to an additional shares of common stock. The underwriters may exercise this right at any time within 30 days after the date of this prospectus.

**Investing in our common stock involves risks. See “Risk factors” beginning on page 11 of this prospectus.**

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.

The underwriters expect to deliver the shares of common stock to purchasers on or about , 2018.

**J.P. Morgan**

**Jefferies**

**BMO Capital Markets**

**Oppenheimer & Co.**

, 2018
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Neither we nor the underwriters have authorized anyone to provide you with any information other than that contained in this prospectus, any amendment or supplement to this prospectus or in any free writing prospectus we may authorize to be delivered or made available to you. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

For investors outside the United States: we have not, and the underwriters have not, done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside the United States.
We own or have rights to, or have applied for, trademarks, service marks and trade names that we use in connection with the operation of our business, including our corporate name, logos and website names. Other trademarks, service marks and trade names appearing in this prospectus are the property of their respective owners. Solely for convenience, some of the trademarks, service marks and trade names referred to in this prospectus are listed without the ® and ™ symbols, but we will assert, to the fullest extent under applicable law, our rights to our trademarks, service marks and trade names.
Prospectus summary

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our common stock, you should carefully read this entire prospectus, including our financial statements and the related notes thereto and the information set forth in the sections titled “Risk factors” and “Management’s discussion and analysis of financial condition and results of operations.” Unless the context otherwise requires, we use the terms “company,” “we,” “us” and “our” in this prospectus to refer to Constellation Pharmaceuticals, Inc.

Overview

We are a clinical-stage biopharmaceutical company using our expertise in epigenetics to discover and develop novel therapeutics that address serious unmet medical needs in patients with cancers associated with abnormal gene expression or drug resistance. Our integrated epigenetics platform enables us to validate targets and generate small molecules against these targets that selectively modulate gene expression in tumor and immune cells to drive anti-tumor activity. Platform insights and clinical experience guide development of our wholly owned lead product candidates: CPI-1205 which inhibits enhancer of zeste homolog 2, or EZH2, and CPI-0610 which inhibits bromodomain and extra terminal domain, or BET, proteins. We believe that our approach to targeting these central gene regulatory mechanisms associated with cancer proliferation may enable us to provide therapeutic benefits to cancer patients.

We are currently conducting multiple clinical trials, including a Phase 1b/2 trial of CPI-1205 for the treatment of metastatic castration-resistant prostate cancer, or mCRPC, in combination with androgen receptor signaling inhibitors, which we refer to as the ProSTAR trial, and a Phase 2 trial of CPI-0610 as a monotherapy and in combination with ruxolitinib (marketed as Jakafi®) in patients with myelofibrosis, or MF. Preliminary data to date from these two trials suggest each product candidate has the potential to offer meaningful benefits beyond the current standard of care in mCRPC and MF. We believe that we are well-positioned to determine proof of concept with each of these product candidates in mid-2019 and, if successful, to advance them into pivotal clinical trials in these indications.

We believe that targeting EZH2 has the potential for broad therapeutic application in a variety of tumor types and have taken a franchise approach to targeting EZH2. We are currently conducting our ORIOn-E trial, a Phase 1b/2 clinical trial of CPI-1205 in combination with immune checkpoint inhibitors to treat solid tumors. In addition, we designed CPI-0209, our second-generation EZH2 inhibitor, to achieve comprehensive coverage of EZH2 and address additional patient populations beyond those that have been targeted by first generation EZH2 inhibitors. We are advancing CPI-0209 in IND-enabling studies and plan to initiate a Phase 1 clinical trial of this product candidate in solid tumors and/or hematological malignancies in 2019.

Our integrated epigenetics platform includes a deep understanding of the biological context in which epigenetic regulatory proteins, or epigenetic regulators, operate, the development of small molecule product candidates that selectively modulate their activity and the design of clinical development programs supported by novel biomarker strategies. We are able to target a broad variety of epigenetic regulators using our platform and have generated development candidates acting against distinct classes of those regulators. We utilized our epigenetics platform to discover and design CPI-1205, CPI-0610 and CPI-0209 and we continue to leverage this platform to develop these product candidates and to discover and develop additional product candidates.

We have retained global development and commercial rights to all of our product candidates. Our goal is to become a fully integrated biopharmaceutical company with the ability to commercialize our products. Our
management team has extensive experience in the discovery, development, regulatory aspects and commercialization of cancer therapeutics, including in senior roles at leading pharmaceutical companies.

Our pipeline

The following table summarizes key information about our most advanced programs:

<table>
<thead>
<tr>
<th>Product Candidates</th>
<th>Indications</th>
<th>Preclinical</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Next Milestone</th>
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<tr>
<td>EZH2 Franchise</td>
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<tr>
<td>CPI-1205</td>
<td>mCRPC</td>
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<td>ProSTAR Trial</td>
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<td>CPI-1205</td>
<td>Solid Tumors</td>
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<td>Safety and RP2D</td>
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<td>CPI-0209 (2nd Gen)</td>
<td>Solid Tumors/Hematologic Malignancies</td>
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<td></td>
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<td>Phase 1 Initiation 2019</td>
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<tr>
<td>BET Inhibitor</td>
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<td></td>
<td></td>
<td></td>
<td>Proof of Concept 2019</td>
</tr>
<tr>
<td>CPI-0610</td>
<td>Myelofibrosis</td>
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Our lead product candidates

CPI-1205 – EZH2 inhibitor

CPI-1205, our first lead product candidate, is a small molecule designed to promote anti-tumor activity by specifically inhibiting EZH2, an enzyme that suppresses target gene expression. We are currently conducting the ProSTAR trial, which is an open-label Phase 1b/2 clinical trial of CPI-1205 for the treatment of mCRPC in combination with enzalutamide (marketed as Xtandi®) or abiraterone acetate (marketed as Zytiga®), which are second-generation androgen signaling inhibitors. We plan to enroll up to 36 patients in the Phase 1b portion of this trial. The primary endpoints of this trial are to establish the maximum tolerated dose and the recommended Phase 2 dose of CPI-1205 with these agents. The maximum tolerated dose will be determined based on the rate of dose-limiting toxicities and the recommended Phase 2 dose will be selected based on the pharmacokinetics and overall tolerability of the combination. We aim to demonstrate proof of concept in mid-2019. If the ProSTAR trial is successful, we intend to initiate a pivotal Phase 3 clinical trial of CPI-1205 in combination with enzalutamide or abiraterone acetate for the treatment of mCRPC.

As of May 25, 2018, ten patients in the Phase 1b trial have been treated with CPI-1205 in combination with either abiraterone acetate or enzalutamide. Two of the ten patients have been on therapy for more than four months and are being treated in the CPI-1205 and enzalutamide combination arm. We have observed preliminary evidence of clinical activity as of May 25, 2018. There has been one serious adverse event in the trial, which was one case of elevated liver enzymes, or transaminases, in a patient treated with the combination of CPI-1205 and abiraterone acetate. No other dose-limiting toxicities have been observed and each combination has been generally well tolerated as of May 25, 2018.

We previously completed a Phase 1 clinical trial of CPI-1205 as a monotherapy in 32 patients with relapsed B-cell lymphoma in which CPI-1205 was well tolerated at all dose levels and no dose-limiting toxicities were reported in the dose-escalation portion of the trial. The primary endpoint of the trial was to establish the safety...
of CPI-1205 as a single agent by evaluating the frequency of dose-limiting toxicities associated with treatment with CPI-1205 during the first 28 days of treatment. A total of 28 serious adverse events were reported by 16 patients. There were two treatment-related serious adverse events, consisting of nausea and toxic epidermal necrolysis.

**CPI-0610**

CPI-0610 is a potent and selective small molecule designed to promote anti-tumor activity by selectively inhibiting the function of BET proteins, which are proteins that normally enhance target gene expression. We are currently enrolling patients in an open-label Phase 2 clinical trial of CPI-0610 as a second-line treatment for patients with MF, a progressive hematological cancer, as a monotherapy and in combination with ongoing ruxolitinib treatment. We are enrolling patients who have been previously treated with ruxolitinib or an investigational JAK1/JAK2 inhibitor. We aim to demonstrate proof of concept in mid-2019, and after consultation with the U.S. Food and Drug Administration, or FDA, regarding acceptable endpoints, to initiate a pivotal clinical trial of CPI-0610. The primary endpoints of this trial are the reduction in spleen size from baseline measured by magnetic resonance imaging, or MRI, after 24 weeks of treatment and the red blood cell transfusion independence rate.

As of May 25, 2018, we have enrolled four patients, consisting of two patients in the combination arm who have been treated for longer than ten months and two patients in the monotherapy arm who have been treated for longer than five months. We have observed preliminary evidence of clinical activity from the first four patients treated in this ongoing trial. Specifically, as of May 25, 2018, we have observed spleen size reduction measured by MRI in each patient treated and the one patient who required regular red blood cell transfusions prior to treatment has been transfusion independent for more than 24 weeks.

We previously evaluated CPI-0610 in three Phase 1 clinical trials in an aggregate of 138 patients with hematological malignancies. The primary endpoint of each trial was to establish the safety of CPI-0610 as a single agent by evaluating the frequency of dose-limiting toxicities associated with treatment with CPI-0610 for 21 days. In one of these Phase 1 trials, in which we treated patients with lymphoma, we identified the maximum tolerated dose and determined the dose-limiting toxicity to be thrombocytopenia, a condition characterized by low platelet counts in the blood, which was reported in 32% of the patients treated in all three trials. One case of thrombocytopenia was determined to be a treatment-related serious adverse event. There were 29 treatment-related serious adverse events in the three trials, with the most frequent being diarrhea (five cases) and vomiting (two cases), hypertension (two cases) and pleuritic pain (two cases).

**Our EZH2 franchise**

In accordance with our franchise approach to targeting EZH2, we have initiated our ORIOn-E trial, a Phase 1b/2 clinical trial of CPI-1205 for the treatment of patients with solid tumors in combination with immune checkpoint inhibitors, with the goal of leveraging EZH2’s known impact on immune cell activity. The primary endpoint of this trial is to establish the maximum tolerated dose and a recommended Phase 2 dose, or RP2D, of CPI-1205 in combination with the immune checkpoint inhibitors. In order to establish the RP2D, we will evaluate the safety, pharmacokinetic and pharmacodynamic results from the Phase 1b trial. We aim to establish safety, pharmacokinetics, maximum tolerated dose and the RP2D in this trial by early 2019 and plan to initiate the Phase 2 portion of the trial thereafter. As of May 25, 2018, five of the nine patients enrolled into the trial had discontinued treatment, with two of the discontinuations due to autoimmune hepatitis and three due to disease progression.

Further, we believe that a second-generation inhibitor will enable us to address additional patient populations beyond those that have been targeted by first-generation EZH2 inhibitors. Based on this belief, we designed CPI-0209, our second-generation EZH2 inhibitor, to achieve comprehensive coverage of EZH2. We are currently advancing CPI-0209 in IND-enabling studies and plan to initiate a Phase 1 clinical trial of this product candidate in solid tumors and/or hematological malignancies in 2019.

**Epigenetics background**

Epigenetics refers to a broad regulatory system that controls gene expression by modifying chromatin, which consists of DNA wrapped around an assembly of proteins called histones. The DNA included in chromatin is
identical in each cell in the body and the identity and function of each cell is determined by the specific set of genes that are expressed, or turned on or off, in a given cell. Whether a specific set of genes is turned on or off depends on the action of epigenetic regulators.

Abnormal cells, such as proliferating cancer cells, can usurp these epigenetic mechanisms ultimately leading to disease. In certain contexts, the activity of an epigenetic regulator may be altered due to a genetic mutation, which may make certain cancer cells dependent on the activity of an individual epigenetic regulator for cancer cell growth. In other contexts, cancer cells may use the activity of an epigenetic regulator cooperatively with other cellular factors to exacerbate disease-promoting mechanisms and suppress the effectiveness of drug therapies, including chemotherapeutic agents, targeted agents (e.g., tyrosine kinase inhibitors) and immune-modulating agents (e.g., immune checkpoint inhibitors).

Epigenetic inhibitor approaches

The early epigenetic inhibitors – such as histone deacetylase and DNA methyltransferase inhibitors – have not delivered on the full potential of the inhibition of epigenetic regulators as a class of cancer therapy. These drugs cause broad changes to gene expression across thousands of genes. This broad inhibition, as opposed to more selective inhibition, generally resulted in unintended effects accompanying the desired effect. Moreover, early epigenetic inhibitors were solely designed to alter gene expression in cancer cells to induce cancer cell death. This approach did not consider the importance of the cells surrounding the cancer cells, referred to as the tumor microenvironment, and the supporting role that epigenetic regulators play in sustaining the tumor microenvironment for cancer cell growth.

Since these early epigenetic drugs, biopharmaceutical development has focused on therapies targeting epigenetic regulators in genetically defined cancer contexts, and specifically in mutated epigenetic regulators with abnormal function that cancer cells depend on for growth. This approach has identified a small number of epigenetic targets and development opportunities for certain targets, including EZH2. Given that abnormal function of epigenetic regulators can arise for reasons other than genetic mutations, we believe that these genetically defined approaches, while valuable, underestimate the potential of identifying and specifically targeting epigenetic regulators in cancer.

Our approach

We are a pioneer in the discovery and development of novel therapeutics that target the writer, reader and eraser classes of epigenetic regulators and modulate gene expression in a more selective manner. Our efforts have demonstrated that these distinct classes of epigenetic regulators are broadly druggable and that selective reprogramming of gene expression is a promising therapeutic approach to not only induce cancer cell killing but also to enhance anti-tumor immunity.

Our approach to therapeutic agents is focused on epigenetic targets:

- whose inhibition modulates gene expression in a highly selective manner;
- with broad development opportunities, including biomarker-defined contexts, which we believe may expand the applicability of our product candidates to cancers with immune evasion or acquired drug resistance; or
- whose inhibition may reprogram immune-suppressive immune cells in the tumor microenvironment to enhance anti-tumor activity.
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**Our strategy**

Our objective is to discover, develop and commercialize innovative drugs that address the serious unmet medical needs of patients with cancers that are associated with abnormal gene expression or drug resistance. To achieve our objective, we intend to:

- Leverage the insights from our platform and our clinical experience to rapidly and efficiently complete development of CPI-1205 and CPI-0610.
- Expand our EZH2 franchise by advancing CPI-0209, our second-generation EZH2 inhibitor, as an opportunity to access additional cancer types.
- Utilize our epigenetics platform to advance novel programs that target tumor and/or immune cells.
- Maximize the global commercial potential of our product candidates.

**Risks associated with our business**

Our business is subject to a number of risks of which you should be aware before making an investment decision. These risks are discussed more fully in the “Risk factors” section of this prospectus. These risks include, but are not limited to, the following:

- We have incurred significant losses since our inception. We expect to incur losses over the next several years and may never achieve or maintain profitability. As of March 31, 2018, we had an accumulated deficit of $186.0 million.
- We will need substantial additional funding. If we are unable to raise capital when needed, we could be forced to delay, reduce or eliminate our product development programs or commercialization efforts.
- Our limited operating history may make it difficult for you to evaluate the success of our business to date and to assess our future viability.
- Our approach to the discovery and development of product candidates based on the inhibition of epigenetic regulators by small molecules is an emerging field, and we do not know whether we will be able to successfully develop any products.
- We are early in our development efforts, and we only have two product candidates in clinical trials that we are developing. All of our other product candidates are still in preclinical development. If we are unable to commercialize our product candidates or experience significant delays in doing so, our business will be materially harmed.
- We may not be successful in our efforts to use and expand our product platform to build a pipeline of product candidates.
- Clinical drug development involves a lengthy and expensive process, with an uncertain outcome. We may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates.
- We are currently pursuing the development of our product candidates in combination with other approved therapeutics. If the FDA revokes approval of any such therapeutic, or if safety, efficacy, manufacturing or supply issues arise with any therapeutic that we use in combination with one of our product candidates in the
future, we may be unable to further develop and/or market our product candidate or we may experience significant regulatory delays or supply shortages, and our business could be materially harmed.

- If serious adverse events or unacceptable side effects are identified during the development of our product candidates, we may need to abandon or limit our development of some of our product candidates.
- We face substantial competition, which may result in others discovering, developing or commercializing products before or more successfully than we do.
- If our contracted manufacturing facilities experience production issues for any reason, we may be unable to manufacture clinical supplies or commercial quantities of our product candidates for a substantial amount of time, which could have a material adverse effect on our business.
- We rely, and expect to continue to rely, on third parties to conduct our clinical trials, and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such trials.
- If we are unable to obtain, maintain, enforce and protect patent protection for our technology and product candidates or if the scope of the patent protection obtained is not sufficiently broad, our competitors could develop and commercialize technology and products similar or identical to ours, and our ability to successfully develop and commercialize our technology and product candidates may be adversely affected. We do not own or in-license any patented intellectual property related to our epigenetics platform.
- If we fail to comply with our obligations in our intellectual property licenses and funding arrangements with third parties, we could lose rights that are important to our business.

Our corporate information

We were incorporated under the laws of the State of Delaware on January 11, 2008 under the name EpiGenetiX, Inc. Our name was changed to Constellation Pharmaceuticals, Inc. on March 31, 2008. Our principal executive offices are located at 215 First Street, Suite 200, Cambridge, Massachusetts 02142, and our telephone number is (617) 714-0555. Our website address is www.constellationpharma.com. The information contained on, or that can be accessed through, our website is not a part of this prospectus. We have included our website address in this prospectus solely as an inactive textual reference.

Implications of being an emerging growth company

As a company with less than $1.07 billion in revenue during our last fiscal year, we qualify as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and we may remain an emerging growth company for up to five years or until such earlier time as we have more than $1.07 billion in annual revenue, the market value of our stock held by non-affiliates is more than $700 million or we issue more than $1 billion of non-convertible debt over a three-year period. For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from certain disclosure and other requirements that are applicable to public companies that are not emerging growth companies. 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.
### The offering

<table>
<thead>
<tr>
<th><strong>Common stock offered</strong></th>
<th>shares</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Common stock to be outstanding immediately following this offering</strong></td>
<td>shares</td>
</tr>
<tr>
<td><strong>Option to purchase additional shares</strong></td>
<td>We have granted the underwriters an option for a period of 30 days to purchase up to additional shares of our common stock.</td>
</tr>
<tr>
<td><strong>Use of proceeds</strong></td>
<td>We estimate that the net proceeds from this offering will be approximately $ million (or approximately $ million if the underwriters exercise their option to purchase additional shares in full), 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 underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering, together with our existing cash and cash equivalents, to fund the clinical development of CPI-1205 and CPI-0610, to fund the development of CPI-0209, to advance our current pipeline of preclinical candidates and to research and develop additional preclinical product candidates using our platform and for working capital and other general corporate purposes. See “Use of proceeds.”</td>
</tr>
<tr>
<td><strong>Risk factors</strong></td>
<td>You should read the “Risk factors” section of this prospectus for a discussion of factors to consider carefully before deciding to invest in shares of our common stock.</td>
</tr>
<tr>
<td><strong>Proposed Nasdaq Global Market symbol</strong></td>
<td>“CNST”</td>
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The number of shares of our common stock to be outstanding after this offering is based on 13,183,918 shares of our common stock outstanding as of May 31, 2018, which includes 5,625 shares of unvested restricted stock subject to repurchase by us, and 225,705,965 shares of our common stock issuable upon the automatic conversion of all shares of our preferred stock outstanding as of May 31, 2018 upon the closing of this offering.

The number of shares of our common stock to be outstanding after this offering excludes:

- 29,169,568 shares of common stock issuable upon exercise of stock options outstanding as of May 31, 2018 at a weighted average exercise price of $0.58 per share;
- 2,501,639 shares of common stock reserved for future issuance under our 2008 Stock Incentive Plan, as amended, or the 2008 Plan, as of May 31, 2018;
- 30,600,000 and 3,000,000 additional shares of our common stock that will become available for future issuance under our 2018 Equity Incentive Plan, of which our board of directors has granted options to purchase an aggregate of 9,369,329 shares to certain of our employees and non-employee directors effective upon the commencement of trading of our common stock on the Nasdaq Stock Market, and our 2018
Employee Stock Purchase Plan, respectively, each of which will become effective immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, as well as any automatic increases in the number of shares of common stock reserved for future issuance under these plans:

- 375,000 shares of common stock issuable upon the exercise of warrants outstanding as of May 31, 2018 to purchase preferred stock that will automatically become warrants to purchase 375,000 shares of common stock upon the closing of this offering, at an exercise price of $1.20 per share; and

- 1,250,000 shares of common stock issuable upon the exercise of warrants outstanding as of May 31, 2018 to purchase shares of common stock, at an exercise price of $0.14 per share.

Unless otherwise indicated, all information in this prospectus assumes:

- no exercise of the outstanding options described above;
- no exercise of the outstanding warrants described above;
- no exercise by the underwriters of their option to purchase additional shares of our common stock;
- the automatic conversion of all outstanding shares of our preferred stock into an aggregate of 225,705,965 shares of our common stock upon the closing of this offering;
- outstanding warrants to purchase preferred stock automatically becoming warrants to purchase 375,000 shares of common stock upon the closing of this offering; and
- the filing and effectiveness of our restated certificate of incorporation and the adoption of our amended and restated bylaws upon the closing of this offering.
Summary financial data

You should read the following summary financial data together with our financial statements and the related notes appearing at the end of this prospectus and the “Selected financial data” and “Management's discussion and analysis of financial condition and results of operations” sections of this prospectus. We have derived the statement of operations data for the years ended December 31, 2016 and 2017 from our audited financial statements appearing at the end of this prospectus. The statement of operations data for the three months ended March 31, 2017 and 2018 and the balance sheet data as of March 31, 2018 have been derived from our unaudited financial statements appearing elsewhere in this prospectus and have been prepared on the same basis as the audited financial statements. In the opinion of management, the unaudited data reflects all adjustments, consisting only of normal, recurring adjustments, necessary for a fair statement of the financial information in those statements. Our historical results are not necessarily indicative of the results that may be expected in the future, and our interim results are not necessarily indicative of results to be expected for a full fiscal year or any other interim period.

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<th>(in thousands, except per share data)</th>
<th>Year ended December 31, 2016</th>
<th>Year ended December 31, 2017</th>
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<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and development</td>
<td>27,881</td>
<td>32,617</td>
<td>6,852</td>
<td>9,874</td>
</tr>
<tr>
<td>General and administrative</td>
<td>5,777</td>
<td>6,471</td>
<td>1,165</td>
<td>2,303</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>33,658</td>
<td>39,088</td>
<td>8,017</td>
<td>12,177</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>(33,658)</td>
<td>(39,088)</td>
<td>(8,017)</td>
<td>(12,177)</td>
</tr>
<tr>
<td>Other income (expense):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>53</td>
<td>169</td>
<td>34</td>
<td>109</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(1,345)</td>
<td>(901)</td>
<td>(298)</td>
<td>(34)</td>
</tr>
<tr>
<td>Change in fair value of preferred stock tranche liability</td>
<td>417</td>
<td>4,443</td>
<td>2,610</td>
<td>—</td>
</tr>
<tr>
<td>Total other income (expense), net</td>
<td>(875)</td>
<td>3,711</td>
<td>2,346</td>
<td>75</td>
</tr>
<tr>
<td>Net loss</td>
<td>(34,533)</td>
<td>(35,377)</td>
<td>(5,671)</td>
<td>(12,102)</td>
</tr>
<tr>
<td>Cumulative dividends on convertible preferred stock</td>
<td>(14,932)</td>
<td>(18,390)</td>
<td>(4,197)</td>
<td>—</td>
</tr>
<tr>
<td>Net loss attributable to common stockholders</td>
<td>$ (49,465)</td>
<td>$ (53,767)</td>
<td>$ (9,868)</td>
<td>$ (12,102)</td>
</tr>
<tr>
<td>Net loss per share attributable to common stockholders, basic and diluted(1)</td>
<td>$ (4.83)</td>
<td>$ (5.10)</td>
<td>$ (0.95)</td>
<td>$ (1.13)</td>
</tr>
<tr>
<td>Weighted average common shares outstanding, basic and diluted(1)</td>
<td>10,238</td>
<td>10,552</td>
<td>10,436</td>
<td>10,712</td>
</tr>
<tr>
<td>Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)(1)</td>
<td>$ (0.31)</td>
<td></td>
<td>$ (0.08)</td>
<td></td>
</tr>
<tr>
<td>Pro forma weighted average common shares outstanding, basic and diluted (unaudited)(1)</td>
<td>128,693</td>
<td></td>
<td>143,518</td>
<td></td>
</tr>
</tbody>
</table>

(1) See Note 14 to our financial statements appearing at the end of this prospectus for details on the calculation of basic and diluted net loss per share attributable to common stockholders and unaudited basic and diluted pro forma net loss per share attributable to common stockholders.
<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>As of March 31, 2018</th>
<th>Actual</th>
<th>Pro forma(2)</th>
<th>Pro forma as adjusted(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance Sheet Data:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td>$ 71,502</td>
<td>$ 102,752</td>
<td></td>
</tr>
<tr>
<td>Working capital(1)</td>
<td></td>
<td>63,342</td>
<td>94,592</td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td>75,056</td>
<td>106,306</td>
<td></td>
</tr>
<tr>
<td>Long-term debt, net of discount, including current portion</td>
<td></td>
<td>2,373</td>
<td>2,373</td>
<td></td>
</tr>
<tr>
<td>Preferred stock warrant liability</td>
<td></td>
<td>189</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Convertible preferred stock</td>
<td></td>
<td>241,596</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Total stockholders' equity (deficit)</td>
<td></td>
<td>(177,057)</td>
<td>95,978</td>
<td></td>
</tr>
</tbody>
</table>

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

(2) The pro forma balance sheet data gives effect to (i) our issuance and sale in April 2018 of an aggregate of 31,250,000 shares of Series F preferred stock for gross proceeds of $31.3 million, (ii) the automatic conversion of all outstanding shares of our preferred stock, including the shares of Series F preferred stock issued in April 2018, into an aggregate of 225,705,965 shares of common stock upon the closing of this offering and (iii) all outstanding warrants to purchase shares of preferred stock automatically becoming warrants to purchase 375,000 shares of common stock upon the closing of this offering.

(3) The pro forma as adjusted balance sheet data gives further effect to our issuance and sale of shares of our common stock in this offering at 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 estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma as adjusted information discussed above is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing. A $1.00 increase (decrease) in the 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, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets and total stockholders' equity 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 estimated underwriting discounts and commissions and estimated offering expenses payable by us. An increase (decrease) of 1,000,000 shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets and total stockholders' equity by $ million, assuming no change in the assumed initial public offering price per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.
Risk factors

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below together with all of the other information contained in this prospectus, including our financial statements and the related notes appearing at the end of this prospectus, before deciding to invest in our common stock. If any of the following risks actually occur, our business, prospects, operating results and financial condition could suffer materially. In such event, the trading price of our common stock could decline and you might lose all or part of your investment.

Risks related to our financial position and need for additional capital

We have incurred significant losses since our inception. We expect to incur losses over the next several years and may never achieve or maintain profitability.

Since inception, we have incurred significant operating losses. Our net loss was $12.1 million for the three months ended March 31, 2018, $35.4 million for the year ended December 31, 2017 and $34.5 million for the year ended December 31, 2016. As of March 31, 2018, we had an accumulated deficit of $186.0 million. To date, we have financed our operations primarily through sales of our preferred stock, payments received in connection with collaboration and research agreements and borrowings under loan agreements. All of our revenue to date has been collaboration revenue. We have devoted substantially all of our financial resources and efforts to research and development, including clinical trials and preclinical studies. We are still in the early stages of development of our product candidates, and we have not completed development of any product candidates. We expect to continue to incur significant expenses and operating losses over the next several years. Our net losses may fluctuate significantly from quarter to quarter and year to year. We anticipate that our expenses will increase substantially as we:

• continue our Phase 1b/2 clinical trials of CPI-1205, which we refer to as the ProSTAR and ORIOn-E trials, and our Phase 2 clinical trial of CPI-0610;
• complete IND-enabling studies and prepare for a planned Phase 1 clinical trial of CPI-0209, our second-generation EZH2 inhibitor;
• advance our clinical-stage product candidates into later stage trials;
• continue the research and development of our other product candidates;
• seek to discover and develop additional product candidates;
• seek regulatory approvals for any product candidates that successfully complete clinical trials;
• ultimately establish a sales, marketing and distribution infrastructure to commercialize any products for which we may obtain regulatory approval;
• scale up our manufacturing processes and capabilities, or arrange for a third party to do so on our behalf, to support our clinical trials of our product candidates and commercialization of any of our product candidates for which we obtain marketing approval;
• acquire or in-license products, product candidates or technologies;
• maintain, expand, enforce, defend and protect our intellectual property portfolio;
• hire additional clinical, quality control and scientific personnel; and
• add operational, financial and management information systems and personnel, including personnel to support our product development and planned future commercialization efforts and our operations as a public company.

To become and remain profitable, we must succeed in developing, and eventually commercializing, a product or products that generate significant revenue. The ability to achieve this success will require us to be effective in a range of challenging activities, including completing preclinical testing and clinical trials of our product candidates, discovering additional product candidates, obtaining regulatory approval for these product candidates and manufacturing, marketing and selling any products for which we may obtain regulatory approval. We are only in the preliminary stages of most of these activities. We may never succeed in these activities and, even if we do, may never generate revenues that are significant enough to achieve profitability. Because of the numerous risks and uncertainties associated with pharmaceutical product development, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to achieve profitability. Our expenses will increase if, among other things:

• we are required by the U.S. Food and Drug Administration, or the FDA, the European Medicines Agency, or the EMA, or other regulatory authorities to perform trials or studies in addition to those currently expected;

• there are any delays in completing our clinical trials or the development of any of our product candidates; or

• there are any third-party challenges to our intellectual property or we need to defend against any intellectual property-related claim.

Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would depress the value of our company and could impair our ability to raise capital, expand our business, maintain our research and development efforts, diversify our product offerings or even continue our operations. A decline in the value of our company could also cause you to lose all or part of your investment.

We will need substantial additional funding. If we are unable to raise capital when needed, we could be forced to delay, reduce or eliminate our product development programs or commercialization efforts.

We expect to devote substantial financial resources to our ongoing and planned activities, particularly as we continue our Phase 1b/2 clinical trials of CPI-1205 and our Phase 2 clinical trial of CPI-0610 and prepare for a planned Phase 1 clinical trial of CPI-0209; and continue research and development and initiate additional clinical trials of, and seek regulatory approval for, these and other product candidates. We expect our expenses to increase substantially in connection with our ongoing activities, particularly as we advance our preclinical activities and clinical trials. In addition, if we obtain regulatory approval for any of our product candidates, we expect to incur significant commercialization expenses related to product manufacturing, marketing, sales and distribution. Furthermore, upon the closing of this offering, we expect to incur additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on acceptable terms, we could be forced to delay, reduce or eliminate our research and development programs or any future commercialization efforts.

Our future capital requirements will depend on many factors, including:

• the progress, costs and results of our ongoing Phase 1b/2 clinical trials of CPI-1205 and Phase 2 clinical trial of CPI-0610;

• the scope, progress, results and costs of discovery research, preclinical development, laboratory testing and clinical trials for our other product candidates, including our planned Phase 1 clinical trial of CPI-0209;
• the number and development requirements of other product candidates that we pursue;
• the costs, timing and outcome of regulatory review of our product candidates;
• our ability to establish and maintain strategic collaborations, licensing or other arrangements and the financial terms of such arrangements;
• milestones and other collaboration-based revenues, if any;
• the costs and timing of future commercialization activities, including product manufacturing, marketing, sales and distribution, for any of our product candidates for which we receive marketing approval;
• the amount and timing of revenue, if any, received from commercial sales of our product candidates for which we receive marketing approval;
• the costs and timing of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property and proprietary rights and defending any intellectual property-related claims; and
• the extent to which we acquire or in-license other products, product candidates or technologies.

As of March 31, 2018, we had cash and cash equivalents of approximately $71.5 million, which does not include $31.3 million of gross proceeds received from the sale of additional shares of our Series F preferred stock in April 2018. We believe that the net proceeds from this offering, together with our existing cash and cash equivalents as of March 31, 2018 and the proceeds from the sale of additional shares of Series F preferred stock in April 2018, will enable us to fund our operating expenses, capital expenditure requirements and debt service payments through . However, we have based this estimate on assumptions that may prove to be wrong, and our operating plan may change as a result of many factors currently unknown to us. As a result, we could deplete our capital resources sooner than we currently expect.

Identifying potential product candidates and conducting preclinical testing 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 regulatory approval and achieve product sales. In addition, our product candidates, if approved, may not achieve commercial success. Commercial revenues, if any, will not be derived unless and until we can achieve sales of commercially available products, which we do not anticipate for many years, if at all. Accordingly, we will need to continue to rely on additional financing to achieve our business objectives. Adequate additional financing may not be available to us on acceptable terms, or at all. In addition, we may seek additional capital due to favorable market conditions or strategic considerations, even if we believe we have sufficient funds for our current or future operating plans. If adequate funds are not available to us on a timely basis, we may be required to delay, limit, reduce or terminate preclinical studies, clinical trials or other development activities for one or more of our product candidates or delay, limit, reduce or terminate our establishment of sales and marketing capabilities or other activities that may be necessary to commercialize our product candidates.

_Raising additional capital may cause dilution to our stockholders, including purchasers of our common stock in this offering, restrict our operations or require us to relinquish rights to our technologies or product candidates._

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and marketing, distribution or licensing arrangements. We do not have any committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that
adversely affect your rights as a common stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, selling or licensing our assets, making capital expenditures or declaring dividends.

If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

**Our limited operating history may make it difficult for you to evaluate the success of our business to date and to assess our future viability.**

We commenced active operations in early 2008, and our operations to date have been limited to organizing and staffing our company, business planning, raising capital, developing our technology, identifying potential product candidates, undertaking preclinical studies and conducting clinical trials. All but two of our product candidates are still in preclinical development. We have not yet demonstrated our ability to successfully develop any product candidate, obtain regulatory approvals, manufacture a commercial scale product or arrange for a third party to do so on our behalf, or conduct sales and marketing activities necessary for successful product commercialization. Consequently, any predictions you make about our future success or viability may not be as accurate as they could be if we had a longer operating history.

In addition, as our business grows, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. We will need to transition at some point from a company with a research and development focus to a company capable of supporting commercial activities. We may not be successful in such a transition.

We expect our financial condition and operating results to fluctuate significantly from quarter-to-quarter and year-to-year due to a variety of factors, many of which are beyond our control. Accordingly, you should not rely upon the results of any quarterly or annual periods as indicators of future operating performance.

**Our existing and future indebtedness may limit cash flow available to invest in the ongoing needs of our business.**

As of March 31, 2018, we had $2.4 million of borrowings outstanding under our loan and security agreement with Oxford Finance LLC and Silicon Valley Bank, which we refer to as our loan agreement, which borrowings are being repaid in equal monthly payments of principal and accrued interest through the maturity date of July 1, 2018. In addition, a final payment equal to 5% of the original principal amount is due upon the final principal payment. No amounts remain available for borrowing under our loan agreement. Our obligations under this agreement are secured by substantially all of our personal property, other than our intellectual property, and by a negative pledge on our intellectual property. We could in the future incur additional indebtedness beyond our borrowings under the loan agreement.

Our debt combined with our other financial obligations and contractual commitments could have significant adverse consequences, including:

- requiring us to dedicate a substantial portion of cash flow from operations or cash on hand to the payment of interest on, and principal of, our debt, which will reduce the amounts available to fund working capital, capital expenditures, product development efforts and other general corporate purposes;
• increasing our vulnerability to adverse changes in general economic, industry and market conditions;
• subjecting us to restrictive covenants that may reduce our ability to take certain corporate actions or obtain further debt or equity financing;
• limiting our flexibility in planning for, or reacting to, changes in our business and our industry; and
• placing us at a competitive disadvantage compared to our competitors that have less debt or better debt servicing options.

We intend to satisfy our current and future debt service obligations with our existing cash and funds from external sources. Nonetheless, we may not have sufficient funds or may be unable to arrange for additional financing to pay the amounts due under our existing or any future debt. Funds from external sources may not be available on acceptable terms, if at all. In addition, a failure to comply with the covenants under our loan agreement or any future loan agreements we may enter into could result in an event of default and acceleration of amounts due. If an event of default occurs and the lenders accelerate the amounts due under such loan agreements, we may not be able to make accelerated payments, and such lenders could seek to enforce security interests in the collateral securing such indebtedness.

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

On December 22, 2017, the U.S. government enacted the Tax Cuts and Jobs Act, or TCJA, which significantly reforms the Internal Revenue Code of 1986, as amended. The TCJA, among other things, contains significant changes to corporate taxation, including reduction of the corporate tax rate from a top marginal rate of 35% to a flat rate of 21%, limitation of the tax deduction for net interest expense to 30% of adjusted earnings (except for certain small businesses), limitation of the deduction for net operating losses to 80% of annual taxable income and elimination of net operating loss carrybacks, in each case, for losses arising in taxable years beginning after December 31, 2017 (though any such net operating losses may be carried forward indefinitely), one-time taxation of offshore earnings at reduced rates regardless of whether they are repatriated, elimination of U.S. tax on foreign earnings (subject to certain important exceptions), immediate deductions for certain new investments instead of deductions for depreciation expense over time, and modifying or repealing many business deductions and credits. Notwithstanding the reduction in the corporate income tax rate, the overall impact of the TCJA is uncertain and our business and financial condition could be adversely affected. In addition, it is uncertain how various states will respond to the TCJA. The impact of this reform on holders of our common stock is also uncertain and could be adverse. We urge prospective investors in our common stock to consult with their legal and tax advisors with respect to TCJA and the potential tax consequences of investing in or holding our common stock.

Risks related to the discovery and development of our product candidates

Our approach to the discovery and development of product candidates based on the inhibition of epigenetic regulators by small molecules is an emerging field, and we do not know whether we will be able to successfully develop any products.

The discovery and development of small molecules that inhibit epigenetic regulators to restore normal gene expression is an emerging field, and the scientific discoveries that form the basis for our efforts to discover and develop product candidates are relatively new. Although epigenetic regulation of gene expression plays an essential role in biological function, few drugs premised on the inhibition of epigenetic regulators have been developed.

Before obtaining marketing approval from regulatory authorities for the sale of any product candidate, we must conduct extensive clinical trials to demonstrate the safety and efficacy of such product candidate in humans.
We have not yet begun or completed a pivotal clinical trial of any product candidate. Clinical trials may fail to demonstrate that our product candidates are safe for humans and effective for indicated uses. Even if the clinical trials are successful, changes in marketing approval policies during the development period, changes in or the enactment or promulgation of additional statutes, regulations or guidance or changes in regulatory review for each submitted product application may cause delays in the approval or rejection of an application. Regulatory authorities have substantial discretion in the approval process and may cause delays in the approval or rejection of an application. As a result of these factors, it is more difficult for us to predict the time and cost of product candidate development, and we cannot predict whether the application of our epigenetic platform, or any similar or competitive epigenetic platforms, will result in the development and regulatory approval of any products. There can be no assurance that any development problems we experience in the future related to our epigenetic platform or any of our research programs will not cause significant delays or unanticipated costs, or that such development problems can be solved.

In addition, adverse developments in preclinical studies or clinical trials conducted by others of epigenetic product candidates or adverse events in patients treated with epigenetic products may cause the FDA or other regulatory agencies to require modifications to clinical trials of epigenetic product candidates, revise the requirements for approval of epigenetic product candidates or limit the use of epigenetic products, any of which could materially harm our business. Moreover, there have been significant adverse side effects in clinical trials of epigenetic product candidates of our competitors. For example, one such competitor recently reported that a pediatric patient in its Phase 1 clinical trial of an EZH2 inhibitor had developed a secondary lymphoma following treatment. This same company previously reported that in the course of the preclinical safety studies of its EZH2 inhibitor it had observed the development of lymphoma in rats. We have no preclinical or clinical data from our studies to date to suggest that patients are likely to experience similar side effects with our product candidates that inhibit EZH2. However, due to concerns regarding hematological malignancies, the FDA previously inquired about our plans for typical long-term toxicology studies of CPI-1205, which studies we plan to conduct, and required that we include the development of a rare leukemia as a potential risk in the informed consent for our CPI-1205 trials. The FDA required us to update the investigator's brochure and informed consent for our trials of CPI-1205 to include the risk of the development of T-cell lymphoma. The FDA provided guidance regarding our planned long-term toxicology study in rats, including that it should be designed to enhance the probability of detecting whether the development of lymphoma is associated with exposure to CPI-1205. Further, adverse events in our or our competitors' preclinical studies and/or clinical trials of epigenetic product candidates, even if not ultimately attributable to the product candidate under exploration, and the resulting negative publicity, could result in increased governmental regulation, unfavorable public perception, inadequate acceptance in the medical community, potential regulatory delays in the testing or approval of our product candidates and any additional product candidates that we may identify and develop, stricter labeling requirements for those product candidates that are approved, and a decrease in demand for any such product candidates.

Any of these factors may prevent us from completing our preclinical studies, completing any clinical trials that we may initiate or commercializing any product candidates we may develop, on a timely or profitable basis, if at all.

*We are early in our development efforts, and we only have two product candidates in clinical trials that we are developing. All of our other product candidates are still in preclinical development. If we are unable to commercialize our product candidates or experience significant delays in doing so, our business will be materially harmed.*

We are early in our development efforts, and we only have two product candidates in clinical trials that we are developing, CPI-1205 for the treatment of metastatic castration-resistant prostate cancer, or mCRPC, and solid tumors and CPI-0610 for the treatment of myelofibrosis, or MF. All of our other product candidates are still in preclinical development. We have invested substantially all of our efforts and financial resources in our
integrated epigenetics platform to discover and develop new drugs that selectively modulate gene expression that may lead to the killing or reprogramming of cancer cells or result in anti-tumor immune activity. Our ability to generate product revenues, which we do not expect will occur for many years, if ever, will depend heavily on the successful development and eventual commercialization of our product candidates. The success of our product candidates will depend on several factors, including the following:

• successfully completing preclinical studies and clinical trials;
• expanding and maintaining a workforce of experienced scientists and others with experience in epigenetics to continue to develop our product candidates;
• successfully applying for and receiving marketing approvals from applicable regulatory authorities;
• obtaining and maintaining intellectual property protection and regulatory exclusivity for our product candidates;
• making arrangements with third-party manufacturers for, or establishing, commercial manufacturing capabilities;
• establishing sales, marketing and distribution capabilities and successfully launching commercial sales of the products, if and when approved, whether alone or in collaboration with others;
• acceptance of the products, if and when approved, by patients, the medical community and third-party payors;
• effectively competing with other therapies;
• obtaining and maintaining coverage, adequate pricing and adequate reimbursement from third-party payors, including government payors;
• maintaining, enforcing, defending and protecting our rights in our intellectual property portfolio;
• not infringing, misappropriating or otherwise violating others’ intellectual property or proprietary rights; and
• maintaining a continued acceptable safety profile of the products following approval.

If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully develop and commercialize our product candidates, which would materially harm our business.

We may not be successful in our efforts to use our product platform to build a pipeline of product candidates.

A key element of our strategy is to use our integrated epigenetics product platform to build a pipeline of small molecule product candidates that selectively modulate gene expression in tumor and immune cells to drive anti-tumor activity and progress these product candidates through clinical development for the treatment of a variety of different types of cancer. Even if we are successful in continuing to build our pipeline, the potential product candidates that we identify may not be suitable for clinical development, including as a result of being shown to have harmful side effects or other characteristics that indicate that they are unlikely to receive marketing approval and achieve market acceptance. If we do not successfully develop and commercialize product candidates based upon our technological approach, we will not be able to obtain product revenues in future periods, which likely would result in significant harm to our financial position and adversely affect our stock price.
Clinical drug development involves a lengthy and expensive process, with an uncertain outcome. We may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates.

We have product candidates in clinical development, and our remaining product candidates are in preclinical development. The risk of failure for each of our product candidates is high. It is impossible to predict when or if any of our product candidates will prove effective or safe in humans or will receive regulatory 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.

Product candidates are subject to continued preclinical safety studies, which may be conducted concurrent with our clinical testing. The outcomes of these safety studies may delay the launch of or enrollment in future clinical trials.

Clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to 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 results of a clinical trial do not necessarily predict final results. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval of their products. Furthermore, the failure of any of our product candidates to demonstrate safety and efficacy in any clinical trial could negatively impact the perception of our other product candidates and/or cause the FDA or other regulatory authorities to require additional testing before approving any of our product candidates. In addition, results from compassionate use protocols or investigator-sponsored trials may not be confirmed in company-sponsored trials and/or may negatively impact the prospects for our programs.

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

- regulators or institutional review boards, or IRBs, 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 or clinical trial protocols with prospective trial sites;
- clinical trials of our product candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon product development programs;
- preclinical testing may produce results based on which we may decide, or regulators may require us, to conduct additional preclinical studies before we proceed with certain clinical trials, limit the scope of our clinical trials, halt ongoing clinical trials or abandon product development programs;
- the number of patients required for clinical trials of our product candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate or participants may drop out of these clinical trials at a higher rate than we anticipate;
- our third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- we may have to suspend or terminate clinical trials of our product candidates for various reasons, including noncompliance with regulatory requirements or a finding that the participants are being exposed to unacceptable health risks;
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- regulators or IRBs may require that we or our investigators suspend or terminate clinical research for various reasons, including noncompliance with regulatory requirements or a finding that the participants are being exposed to unacceptable health risks;
- regulators or IRBs may require us to perform additional or unanticipated clinical trials to obtain approval or we may be subject to additional post-marketing testing requirements to maintain regulatory approval;
- regulators may revise the requirements for approving our product candidates, or such requirements may not be as we anticipate;
- the cost of clinical trials of 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 of our product candidates may be insufficient or inadequate;
- our product candidates may have undesirable side effects or other unexpected characteristics, causing us or our investigators, regulators or IRBs to suspend or terminate the trials; and
- regulators may withdraw their approval of a product or impose restrictions on its distribution, such as in the form of a risk evaluation and mitigation strategy, or REMS.

If we are required to conduct additional clinical trials or other testing of our product candidates beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of our product candidates or other testing, if the results of these trials or tests are not positive or are only modestly positive or if there are safety concerns, we may:

- be delayed in obtaining marketing approval for our product candidates;
- not obtain marketing approval at all;
- obtain approval for indications or patient populations that are not as broad as intended or desired;
- obtain approval with labeling or a REMS that includes significant use or distribution restrictions or safety warnings;
- be subject to additional post-marketing testing requirements; or
- have the product removed from the market after obtaining marketing approval.

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

*If we experience delays or difficulties in the enrollment of patients in clinical trials, our receipt of necessary regulatory approvals could be delayed or prevented.*

We may not be able to initiate or continue clinical trials for our product candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA or similar regulatory authorities outside of the United States. In particular, because certain of our products may be focused on specific patient populations, our ability to enroll eligible patients may be limited or may result in slower enrollment than we anticipate. In addition, some of our competitors have ongoing clinical trials for product candidates that may treat the broader patient populations within which our product candidates are
being developed for the treatment of a subset of identifiable patients with cancer and other diseases, and patients who would otherwise be eligible for our clinical trials may instead enroll in clinical trials of our competitors’ product candidates.

Patient enrollment is affected by a variety of other factors, including:

• the prevalence and severity of the disease under investigation;
• the eligibility criteria for the trial in question;
• the perceived risks and benefits of the product candidate under trial;
• the existence of existing treatments for the indications for which we are conducting clinical trials;
• the efforts to facilitate timely enrollment in clinical trials;
• the patient referral practices of physicians;
• the ability to monitor patients adequately during and after treatment;
• the proximity and availability of clinical trial sites for prospective patients;
• the conducting of clinical trials by competitors for product candidates that treat the same indications as our product candidates;
• the ability to identify specific patient population for biomarker-defined trial cohort(s); and
• the cost to, or lack of adequate compensation for, prospective patients.

Our inability to locate and enroll a sufficient number of patients for our clinical trials would result in significant delays, could require us to abandon one or more clinical trials altogether and could delay or prevent our receipt of necessary regulatory approvals. Enrollment delays in our clinical trials may result in increased development costs for our product candidates, which would cause the value of our company to decline and limit our ability to obtain additional financing.

If serious adverse events or unacceptable side effects are identified during the development of our product candidates, we may need to abandon or limit our development of some of our product candidates.

If our product candidates, either alone or in combination with other therapeutics, are associated with serious adverse events or undesirable side effects in clinical trials or have characteristics that are unexpected in clinical trials or preclinical testing, we may need to abandon their development or limit development to more narrow uses or subpopulations in which the serious adverse events, undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective. In pharmaceutical development, many compounds that initially show promise in early-stage or clinical testing for treating cancer are later found to cause side effects that prevent further development of the compound.

We are currently pursuing the development of our product candidates in combination with other approved therapeutics. If the FDA revokes approval of any such therapeutic, or if safety, efficacy, manufacturing or supply issues arise with any therapeutic that we use in combination with one of our product candidates in the future, we may be unable to further develop and/or market our product candidate or we may experience significant regulatory delays or supply shortages, and our business could be materially harmed.

We are pursuing the development of our product candidates in combination with other approved therapeutics. We are currently conducting (i) a Phase 1b/2 clinical trial of CPI-1205 for the treatment of mCRPC in combination with enzalutamide, which is marketed by Pfizer Inc. and Astellas Pharma Inc. and is currently
approved to treat mCRPC, or abiraterone acetate, which is marketed by Janssen and is currently approved for use in combination with prednisone for the treatment of patients with mCRPC, (ii) a Phase 1b/2 clinical trial of CPI-1205 for the treatment of patients with solid tumors in combination with ipilimumab, which is marketed by Bristol-Myers Squibb and is currently approved to treat unresectable or metastatic melanoma, or pembrolizumab, which is marketed by Merck Sharp & Dohme Corp. and is currently approved in a number of indications, including to treat unresectable or metastatic melanoma and disease progression following ipilimumab and for use in combination with chemotherapy as a first-line treatment for patients with metastatic non-small cell lung cancer, and (iii) a Phase 2 clinical trial of CPI-0610 as a monotherapy or in combination with ruxolitinib, which is marketed by Incyte, Inc. and is currently approved to treat intermediate or high-risk MF, in patients with MF who have been previously treated with ruxolitinib or an investigational JAK1/JAK2 inhibitor. We expect to commence additional clinical trials of our product candidates in combination with other approved therapeutics, including, if our Phase 1b/2 trial is successful, a pivotal Phase 3 clinical trial of CPI-1205 in combination with either enzalutamide or abiraterone acetate for the treatment of mCRPC. We may also seek to develop our product candidates in combination with other therapeutics in the future.

We did not develop or obtain regulatory approval for, and we do not manufacture or sell, any of these approved therapeutics. In addition, these combinations have not been tested before and may, among other things, fail to demonstrate synergistic activity, may fail to achieve superior outcomes relative to the use of single agents or other combination therapies, may exacerbate adverse events associated with one of our product candidates when used as monotherapy or may fail to demonstrate sufficient safety or efficacy traits in clinical trials to enable us to complete those clinical trials or obtain marketing approval for the combination therapy.

If the FDA revokes its approval of any of these therapeutics, we will not be able to continue clinical development of or market CPI-1205, CPI-0610 or any other product candidate in combination with such revoked therapeutic. If safety or efficacy issues arise with these or any other therapeutics that we seek to combine with our product candidates in the future, we may experience significant regulatory delays, and the FDA may require us to redesign or terminate the applicable clinical trials. Moreover, if these therapeutics were to receive regulatory approval in combination with a different therapeutic in any indication for which we are pursuing approval, such approval could impact the feasibility and design of any subsequent clinical trials that we may seek to conduct evaluating CPI-1205, CPI-0610 or any other product candidate in combination with such therapeutic. If manufacturing, cost or other issues result in a supply shortage of these therapeutics or any other combination therapeutics, we may not be able to complete clinical development of CPI-1205 or CPI-0610 on our current timeline or at all, or any other product candidate we may develop in the future.

In addition, we may need, for supply, data referencing or other purposes, to collaborate or otherwise engage with the companies who market these approved therapeutics. If we are unable to do so on a timely basis, on acceptable terms or at all, we may have to curtail the development of a product candidate or indication, reduce or delay its development program, delay its potential commercialization or reduce the scope of any sales or marketing activities.

Even if CPI-1205, CPI-0610 or any other product candidate were to receive regulatory approval and be commercialized for use in combination with enzalutamide, abiraterone acetate, ipilimumab, pembrolizumab or ruxolitinib, as applicable, or another therapeutic, we would continue to be subject to the risk that the FDA could revoke its approval of such therapeutic, that safety, efficacy, manufacturing, cost or supply issues could arise with one of these therapeutic agents, or that the current standard of care may be replaced. This could result in CPI-1205, CPI-0610 or any such other product candidate, if approved, being removed from the market or being less successful commercially.

In addition to therapeutic combinations, we are exploring the use of a co-medication to enhance the exposure of CPI-1205 and may also seek to similarly develop our other product candidates using a co-medication. Similar
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. For example, we made a strategic decision to advance development of CPI-1205 in solid tumors, despite encouraging clinical data in our Phase 1 trial of CPI-1205 in patients with progressive/relapsed lymphoma, primarily due to strategic considerations with respect to a pathway to regulatory approval and potential commercial opportunities. 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.

We currently plan to conduct clinical trials for product candidates at sites outside the United States, and the FDA may not accept data from trials conducted in such locations.

We currently plan to conduct clinical trials outside the United States. Although the FDA may accept data from clinical trials conducted outside the United States, acceptance of these data is subject to conditions imposed by the FDA. For example, the clinical trial must be well designed and conducted and be performed by qualified investigators in accordance with ethical principles. The trial population must also adequately represent the U.S. population, and the data must be applicable to the U.S. population and U.S. medical practice in ways that the FDA deems clinically meaningful. In addition, while these clinical trials are subject to the applicable local laws, FDA acceptance of the data will depend on its determination that the trials also complied with all applicable U.S. laws and regulations. If the FDA does not accept the data from any trial that we conduct outside the United States, it would likely result in the need for additional trials, which would be costly and time-consuming and could delay or permanently halt our development of the applicable product candidates.

Risks related to the commercialization of our product candidates

Even if any of our product candidates receives marketing approval, it may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success, and the market opportunity for any of our product candidates, if approved, may be smaller than we estimate.

If any of our product candidates receives marketing approval, it may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors and others in the medical community. For example, current cancer treatments like chemotherapy and radiation therapy are well established in the medical community, and doctors may continue to rely on these treatments. If our product candidates do not achieve an adequate level of acceptance, we may not generate significant product revenues and we may not become profitable. The degree of market acceptance of our product candidates, if approved for commercial sale, will depend on a number of factors, including:

- the efficacy and potential advantages of our product candidates compared to alternative treatments;
our ability to offer our products for sale at competitive prices;
the clinical indications for which the product is approved;
the convenience and ease of administration compared to alternative treatments;
the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
the strength of marketing and distribution support;
the timing of market introduction of competitive products;
the availability of third-party coverage and adequate reimbursement;
the prevalence and severity of any side effects; and
any restrictions on the use of our products together with other medications.

Our assessment of the potential market opportunity for our product candidates is based on industry and market data that we obtained from industry publications and research, surveys and studies conducted by third parties. Industry publications and third-party research, surveys and studies generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While we believe these industry publications and third-party research, surveys and studies are reliable, we have not independently verified such data. Our estimates of the potential market opportunities for our product candidates include several key assumptions based on our industry knowledge, industry publications, third-party research and other surveys, which may fail to accurately reflect market opportunities. While we believe that our internal assumptions are reasonable, no independent source has verified such data. Our product revenue may be limited and it may be more difficult for us to achieve or maintain profitability.

If we are unable to establish sales, marketing and distribution capabilities or enter into sales, marketing and distribution agreements with third parties, we may not be successful in commercializing our product candidates if and when they are approved.

We do not have a sales or marketing infrastructure and have no experience in the sale, marketing or distribution of pharmaceutical products. To achieve commercial success for any product for which we have obtained marketing approval, we will need to establish a sales, marketing and distribution organization, either ourselves or through collaborations or other arrangements with third parties.

In the future, we expect to build a focused, specialty sales and marketing infrastructure to market some of our product candidates in the United States, if and when they are approved. There are risks involved with establishing our own sales, marketing and distribution capabilities. For example, recruiting and training a sales force is expensive and time-consuming and could delay any product launch. If the commercial launch of a product candidate for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. These efforts may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

Factors that may inhibit our efforts to commercialize our products on our own include:

• our inability to recruit, train and retain adequate numbers of effective sales and marketing personnel;
the inability of sales personnel to obtain access to physicians or persuade adequate numbers of physicians to prescribe any future products;

• the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and

• unforeseen costs and expenses associated with creating an independent sales and marketing organization.

If we are unable to establish our own sales, marketing and distribution capabilities and enter into arrangements with third parties to perform these services, our product revenues and our profitability, if any, are likely to be lower than if we were to market, sell and distribute any products that we develop ourselves. In addition, we may not be successful in entering into arrangements with third parties to sell, market and distribute our product candidates or may be unable to do so on terms that are acceptable to us. We likely will have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our products effectively. If we do not establish sales, marketing and distribution capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our product candidates.

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 new drug products is highly competitive. We face competition with respect to our current product candidates, and we 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 many 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 the same as or 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.

Specifically, there are a large number of companies developing or marketing treatments for cancer, including many large pharmaceutical and biotechnology companies. In addition, many companies are developing cancer therapies that work by targeting epigenetic mechanisms, including through EZH2 and BET inhibition, such as AbbVie Inc., CellCentric Ltd., Celgene Corporation, Daiichi Sankyo Company, Eli Lilly & Company, Epizyme, Inc., GlaxoSmithKline plc, Incyte, Inc., Novartis AG, Pfizer Inc. and Zenith Epigenetics Ltd. See “Business—Competition” for additional information regarding competing products and product candidates.

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 more convenient or are less expensive than any products that we may develop. Our competitors may also obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. 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 many 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 competitive generic products.
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 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 and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

If our contracted manufacturing facilities experience production issues for any reason, we may be unable to manufacture clinical supplies or commercial quantities of our product candidates for a substantial amount of time, which could have a material adverse effect on our business.

We rely, and expect to continue to rely, on third parties to manufacture clinical supplies of our product candidates and commercial supplies of our products, if and when approved for marketing by applicable regulatory authorities, as well as for packaging, sterilization, storage, distribution and other production logistics. If these third parties do not successfully carry out their contractual duties, meet expected deadlines or manufacture our product candidates in accordance with regulatory requirements, if there are disagreements between us and such parties, or if such parties are unable to expand capacities to support commercialization of any of our product candidates for which we obtain marketing approval, we may not be able to fulfill, or may be delayed in producing sufficient product candidates to meet, our supply requirements. These facilities may also be affected by natural disasters, such as floods or fire, or such facilities could face manufacturing issues, such as contamination or regulatory concerns following a regulatory inspection of such facility. In such instances, we may need to locate an appropriate replacement third-party facility and establish a contractual relationship, which may not be readily available or on acceptable terms, which would cause additional delay and increased expense, including as a result of additional required FDA approvals, and may have a material adverse effect on our business.

Our third-party manufacturers are subject to inspection and approval by the FDA before we can commence the manufacture and sale of any of our product candidates, and thereafter subject to FDA inspection from time to time. Failure by our third-party manufacturers to pass such inspections and otherwise satisfactorily complete the FDA approval regimen with respect to our product candidates may result in regulatory actions such as the issuance of FDA Form 483 notices of observations, warning letters or injunctions or the loss of operating licenses.

We or our third-party manufacturers may also encounter shortages in the raw materials or active pharmaceutical ingredient necessary to produce our product candidates in the quantities needed for our clinical trials or, if our product candidates are approved, in sufficient quantities for commercialization or to meet an increase in demand, as a result of capacity constraints or delays or disruptions in the market for the raw materials or active pharmaceutical ingredient, including shortages caused by the purchase of such raw materials or active pharmaceutical ingredient by our competitors or others. The failure of us or our third-party manufacturers to obtain the raw materials or active pharmaceutical ingredient necessary to manufacture sufficient quantities of our product candidates, may have a material adverse effect on our business.

Even if we are able to commercialize any product candidates, the products may become subject to unfavorable pricing regulations, third-party coverage or reimbursement practices or healthcare reform initiatives, which could harm our business.

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

Our ability to commercialize any product candidates successfully also will depend in part on the extent to which coverage and adequate
reimbursement for these products and related treatments will be available from government health administration authorities, private
health insurers and other organizations. Government authorities and third-party payors, such as private health insurers and health
maintenance organizations, decide which medications they will pay for and establish reimbursement levels. A primary trend in the U.S.
healthcare industry and elsewhere is cost containment. Government authorities and third-party payors have attempted to control costs by
limiting coverage and the amount of reimbursement for particular medications. 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.
Coverage and reimbursement may not be available for any product that we commercialize and, even if these are available, the level of
reimbursement may not be satisfactory. Reimbursement may affect the demand for, or the price of, any product candidate for which we
obtain marketing approval. Obtaining and maintaining adequate reimbursement for our products may be difficult. We may be required to
conduct expensive pharmacoeconomic studies to justify coverage and reimbursement or the level of reimbursement relative to other
therapies. If coverage and adequate reimbursement are not available or reimbursement is available only to limited levels, we may not be
able to successfully commercialize any product candidate for which we obtain marketing approval.

There may be significant delays in obtaining coverage and reimbursement for newly approved drugs, and coverage may be more limited
than the purposes for which the drug is approved by the FDA or similar regulatory authorities outside of the United States. Moreover,
eligibility for coverage and reimbursement does not imply that a drug will be paid for in all cases or at a rate that covers our costs,
including research, development, manufacture, sale and distribution expenses. Interim reimbursement levels for new drugs, if applicable,
may also not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may vary according to the use of the
drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost drugs and may be
incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required
by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from
countries where they may be sold at lower prices than in the United States. Third-party payors often rely upon Medicare coverage policy
and payment limitations in setting their own reimbursement policies. Our inability to promptly obtain coverage and adequate
reimbursement rates from both government-funded and private payors for any approved products that we develop could have a material
adverse effect on our operating results, our ability to raise capital needed to commercialize products and our overall financial condition.

There can be no assurance that our product candidates, even if they are approved for sale in the United States or in other countries, will
be considered medically reasonable and necessary for a specific indication or cost-effective by third-party payors, or that coverage and an
adequate level of reimbursement will be available or
that third-party payors’ reimbursement policies will not adversely affect our ability to sell our product candidates profitably.

Product liability lawsuits against us could divert our resources and could cause us to incur substantial liabilities and to limit commercialization of any products that we may develop.

We face an inherent risk of product liability exposure related to the testing of our product candidates in human clinical trials and use of our product candidates through compassionate use, and we will face an even greater risk if we commercially sell any products that we may develop. For example, in January 2017, a participant dosed in our Phase 1 clinical trial of CPI-0610 filed a complaint against us in the United States District Court for the District of Arizona, alleging negligence, lack of informed consent, strict products liability and loss of consortium, related to alleged psychological injuries resulting from the use of CPI-0610. The plaintiff is seeking damages and alleges that the trial protocols did not adequately inform the plaintiff of the risks of psychosis and that the plaintiff was misled into believing that the Phase 1 clinical trial participation was with a product that had already proven efficacious. We filed an answer in March 2017 and the case is currently in discovery. While we believe we have meritorious defenses, expect insurance to cover any damages as a result of this claim and do not deem this litigation to be material, it could divert management’s attention and resources, and result in harm to our reputation or any of the other results described below.

If we cannot successfully defend ourselves against claims that our product candidates or products caused injuries, we will incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any product candidates or products that we may develop;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants;
- significant costs to defend any related litigation;
- substantial monetary awards to trial participants or patients;
- loss of revenue;
- reduced resources of our management to pursue our business strategy; and
- the inability to commercialize any products that we may develop.

We currently hold $10 million in product liability insurance coverage in the aggregate, with a per incident limit of $10 million, which may not be adequate to cover all liabilities that we may incur. We may need to increase our insurance coverage as we expand our clinical trials or if we commence commercialization of our product candidates. Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

Risks related to our dependence on third parties

We rely, and expect to continue to rely, on third parties to conduct our clinical trials, and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such trials.

We currently rely on third-party clinical research organizations to conduct our ongoing Phase 1b/2 clinical trials of CPI-1205 and Phase 2 clinical trial of CPI-0610 and plan to rely on third-party clinical research organizations or third-party research collaboratives to conduct our planned clinical trials. We do not plan to independently conduct clinical trials of our other product candidates. We expect to continue to rely on third parties, such as
clinical research organizations, clinical data management organizations, medical institutions and clinical investigators, to conduct our clinical trials. These agreements might terminate for a variety of reasons, including a failure to perform by the third parties. If we need to enter into alternative arrangements, our product development activities might be delayed.

Our reliance on these third parties for research and development activities will reduce our control over these activities but will not relieve us of our responsibilities. For example, we will remain responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols for the trial. Moreover, the FDA requires us to comply with standards, commonly referred to as good clinical practices, or GCPs, for conducting, recording and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. We also are required to register ongoing clinical trials and post the results of completed clinical trials on a government-sponsored database, ClinicalTrials.gov, within specified timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

If these third parties do not successfully carry out their contractual duties, meet expected deadlines or conduct our clinical trials in accordance with regulatory requirements or our stated protocols, we will not be able to obtain, or may be delayed in obtaining, marketing approvals for our product candidates and will not be able to, or may be delayed in our efforts to, successfully develop and commercialize our product candidates. Furthermore, these third parties may also have relationships with other entities, some of which may be our competitors.

We also expect to rely on other third parties to store and distribute drug supplies for our clinical trials. Any performance failure on the part of our distributors could delay clinical development or marketing approval of our product candidates or commercialization of our products, producing additional losses and depriving us of potential product revenue.

We contract with third parties for the manufacture of our product candidates for preclinical and clinical testing and expect to continue to do so for commercialization. This reliance on third parties increases the risk that we will not have sufficient quantities of our product candidates or products or such quantities at an acceptable cost or quality, which could delay, prevent or impair our development or commercialization efforts.

We do not have any manufacturing facilities or personnel, and we rely, and expect to continue to rely, on third parties for the manufacture of our product candidates for preclinical and clinical testing, as well as for commercial manufacture if any of our product candidates receive marketing approval. This reliance on third parties increases the risk that we will not have sufficient quantities of our product candidates or products or such quantities at an acceptable cost or quality, which could delay, prevent or impair our development or commercialization efforts.

We also expect to rely on third-party manufacturers or third-party collaborators for the manufacture of commercial supply of any other product candidates for which we or our collaborators obtain marketing approval. We may be unable to establish any agreements with third-party manufacturers or to do so on acceptable terms. Even if we are able to establish agreements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including:

- reliance on the third party for regulatory compliance and quality assurance;
- the possible breach of the manufacturing agreement by the third party;
- the possible misappropriation of our proprietary information, including our trade secrets and know-how; and
- the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us.
Third-party manufacturers may not be able to comply with current good manufacturing practices, or cGMP, regulations or similar regulatory requirements outside of the United States. Our failure, or the failure of our third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of product candidates or products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our products.

Our product candidates and any products that we may develop may compete with other product candidates and products for access to manufacturing facilities. There are a limited number of manufacturers that operate under cGMP regulations and that might be capable of manufacturing for us.

Any performance failure on the part of our existing or future manufacturers could delay clinical development or marketing approval. We do not currently have arrangements in place for redundant supply or a second source for bulk drug substance. If our current contract manufacturers cannot perform as agreed, we may be required to replace such manufacturers. Although we believe that there are several potential alternative manufacturers who could manufacture our product candidates, we may incur added costs and delays in identifying and qualifying any such replacement.

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

We may enter into collaborations with third parties for the development or commercialization of our product candidates. If our collaborations are not successful, we may not be able to capitalize on the market potential of these product candidates and our business could be adversely affected.

We may utilize collaboration, distribution and other marketing arrangements with third parties to develop and commercialize CPI-1205, CPI-0610 and CPI-0209 or any other product candidates for which we obtain marketing approval in markets outside the United States. We also may enter into arrangements with third parties to perform these services in the United States if we do not establish our own sales, marketing and distribution capabilities in the United States for our product candidates or if we determine that such third-party arrangements are otherwise beneficial. We also may seek third-party collaborators for development and commercialization of other product candidates. Our likely collaborators for any sales, marketing, distribution, development, licensing or broader collaboration arrangements include large and mid-size pharmaceutical companies, regional and national pharmaceutical companies and biotechnology companies. We are currently party to a license and collaboration agreement with Genentech, Inc., or Genentech, and F. Hoffmann-La Roche Ltd, or Roche, pursuant to which we have granted Genentech and Roche exclusive licenses to develop and commercialize products directed to certain targets in return for potential milestone and/or royalty payments. Pursuant to this license and collaboration agreement we have, and in connection with any other such arrangements we enter into with any third parties in the future, we will likely have, limited control over the amount and timing of resources that our collaborators dedicate to the development or commercialization of our product candidates. Our ability to generate revenues from these arrangements will depend on our collaborators’ abilities and efforts to successfully perform the functions assigned to them in these arrangements.

Collaborations that we enter into may pose a number of risks, including the following:

- collaborators have significant discretion in determining the amount and timing of efforts and resources that they will apply to these collaborations;
- collaborators may not perform their obligations as expected;
• collaborators may not pursue development of our product candidates or may elect not to continue or renew development programs based on results of clinical trials or other studies, changes in the collaborators’ strategic focus or available funding, or external factors, such as an acquisition, that divert resources or create competing priorities;

• collaborators may not pursue commercialization of any product candidates that achieve regulatory approval or may elect not to continue or renew commercialization programs based on results of clinical trials or other studies, changes in the collaborators’ strategic focus or available funding, or external factors, such as an acquisition, that may divert resources or create competing priorities;

• collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or 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 and products if the collaborators believe that the competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours;

• product candidates discovered in collaboration with us may be viewed by our collaborators as competitive with their own product candidates or products, which may cause collaborators to cease to devote resources to the commercialization of our product candidates;

• a collaborator may fail to comply with applicable regulatory requirements regarding the development, manufacture, distribution or marketing of a product candidate or product;

• a collaborator with marketing and distribution rights to one or more of our product candidates that achieve regulatory approval may not commit sufficient resources to the marketing and distribution of such product or products;

• disagreements with collaborators, including disagreements over intellectual property or proprietary rights, contract interpretation or the preferred course of development, might cause delays or terminations of the research, development or commercialization of product candidates, might lead to additional responsibilities for us with respect to product candidates, or might result in litigation or arbitration, any of which would be time-consuming and expensive;

• collaborators may not properly obtain, maintain, enforce, defend or protect our intellectual property or proprietary rights or may use our proprietary information in such a way as to potentially lead to disputes or legal proceedings that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential litigation;

• collaborators may infringe, misappropriate or otherwise violate the intellectual property or proprietary rights of third parties, which may expose us to litigation and potential liability; and

• collaborations may be terminated for the convenience of the collaborator, and, if terminated, we could be required to raise additional capital to pursue further development or commercialization of the applicable product candidates.

Collaboration agreements may not lead to development or commercialization of product candidates in the most efficient manner, or at all. If any collaborations that we enter into do not result in the successful development and commercialization of products or if one of our collaborators terminates its agreement with us, we may not receive any future research funding or milestone or royalty payments under the collaboration. If we do not receive the funding we expect under these agreements, our development of our product candidates could be
delayed and we may need additional resources to develop our product candidates. All of the risks relating to product development, regulatory approval and commercialization described in this prospectus also apply to the activities of our collaborators.

Additionally, subject to its contractual obligations to us, if a collaborator of ours is involved in a business combination, the collaborator might deemphasize or terminate the development or commercialization of any product candidate licensed to it by us. If one of our collaborators terminates its agreement with us, we may find it more difficult to attract new collaborators and our perception in the business and financial communities could be adversely affected.

If we are not able to establish collaborations, we may have to alter our development and commercialization plans and our business could be adversely affected.

For some of our product candidates, we may decide to collaborate with pharmaceutical or biotechnology companies for the development and potential commercialization of those product candidates. We face significant competition in seeking appropriate collaborators. Whether we reach a definitive agreement for a collaboration will depend, among other things, upon our assessment of the collaborator’s resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator’s evaluation of a number of factors. Those factors may include the design or results of clinical trials, the likelihood of approval by the FDA or similar regulatory authorities outside the United States, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, the potential of competing products, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge, and industry and market conditions generally. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate. We may also be restricted under future license agreements from entering into agreements on certain terms with potential collaborators. Collaborations are complex and time-consuming to negotiate and document. In addition, there have been a significant number of recent business combinations among large pharmaceutical and biotechnology companies that have resulted in a reduced number of potential future collaborators.

If we are unable to reach agreements with suitable collaborators on a timely basis, on acceptable terms or at all, we may have to curtail the development of a product candidate, 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 fund and undertake development or commercialization activities on our own, we may need to obtain additional expertise and additional capital, which may not be available to us on acceptable terms or at all. If we fail to enter into collaborations and do not have sufficient funds or expertise to undertake the necessary development and commercialization activities, we may not be able to further develop our product candidates or bring them to market or continue to develop our product platform.

Risks related to our intellectual property

If we are unable to obtain, maintain, enforce and protect patent protection for our technology and product candidates or if the scope of the patent protection obtained is not sufficiently broad, our competitors could develop and commercialize technology and products similar or identical to ours, and our ability to successfully develop and commercialize our technology and product candidates may be adversely affected.

Our success depends in large part on our ability to obtain and maintain patent protection in the United States and other countries with respect to any proprietary technology and product candidates we develop, including
CPI-1205, CPI-0610 and CPI-0209. We seek to protect our proprietary position by filing patent applications in the United States and abroad related to our technologies and product candidates that are important to our business and by in-licensing intellectual property related to such technologies and product candidates. If we are unable to obtain or maintain patent protection with respect to any proprietary technology or product candidate, our business, financial condition, results of operations and prospects could be materially harmed. In particular, we do not own or in-license any patented intellectual property related to our epigenetics platform. Accordingly, we may not be able to prevent third parties from developing and commercializing a similar platform or technology to compete with us. Additionally, we do not currently own or in-license any intellectual property related to our CPI-0209 product candidate other than one provisional patent application that we own covering the composition of matter and methods of use of CPI-0209. Our provisional patent application is not eligible to become an issued patent until, among other things, we file a non-provisional patent application within 12 months of filing thereof. If we do not timely file any non-provisional patent applications, we may lose our priority date with respect to our provisional patent application and any patent protection on the inventions disclosed in our provisional patent application. While we intend to timely file non-provisional patent applications relating to our provisional patent application, we cannot predict whether any of our future patent applications for CPI-0209 or any other future product candidates will result in the issuance of patents that effectively protect CPI-0209 and any other future product candidates, or if any of our issued patents or if any of our licensor's issued patents will effectively prevent others from commercializing competitive products.

The patent prosecution process is expensive, time-consuming and complex, and we may not be able to file, prosecute, maintain, defend or license all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Moreover, in some circumstances, we do not have the right to control the preparation, filing and prosecution of patent applications, or to maintain, enforce and defend the patents, covering technology that we license from third parties. Therefore, these in-licensed patents and applications may not be prepared, filed, prosecuted, maintained, defended and enforced in a manner consistent with the best interests of our business.

Although we enter into non-disclosure and confidentiality agreements with parties who have access to confidential or patentable aspects of our research and development output, such as our employees, collaborators, contract research organizations, contract manufacturers, consultants, advisors and other third parties, any of these parties may breach the agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection. The patent position of pharmaceutical and biotechnology companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation. In addition, the scope of patent protection outside of the United States is uncertain and laws of foreign countries may not protect our rights to the same extent as the laws of the United States. For example, European patent law restricts the patentability of methods of treatment of the human body more than United States law does. With respect to both owned and in-licensed patent rights, we cannot predict whether the patent applications we and our licensors are currently pursuing will issue as patents in any particular jurisdiction or whether the claims of any issued patents will provide sufficient protection from competitors. In addition, publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not published at all. Therefore, neither we nor our licensors can know with certainty whether either we or our licensors were the first to make the inventions claimed in the patents and patent applications we own or in-license now or in the future, or that either we or our licensors were the first to file for patent protection of such inventions. For example, we are aware of prior art that may invalidate certain claims of one of our U.S. patents covering CPI-1205. As a result, the issuance, scope, validity, enforceability and commercial value of our owned and in-licensed patent rights are highly uncertain. Moreover, our owned and in-licensed pending and future patent
applications may not result in patents being issued which protect our technology and product candidates, in whole or in part, or which effectively prevent others from commercializing competitive technologies and products. Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our patents and our ability to obtain, protect, maintain, defend and enforce our patent rights, narrow the scope of our patent protection and, more generally, could affect the value or narrow the scope of our patent rights.

Moreover, we or our licensors may be subject to a third-party preissuance submission of prior art to the United States Patent and Trademark Office, or USPTO, or become involved in opposition, derivation, revocation, reexamination, [inter partes] review, post-grant review or interference proceedings challenging our patent rights. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or product candidates and compete directly with us, without payment to us. If the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates. Furthermore, such proceedings also may result in substantial cost and require significant time from our management and employees, even if the eventual outcome is favorable to us.

In January 2018, after completing an internal review of our patent portfolio, we submitted a request to the USPTO to reissue one of our U.S. patents covering CPI-1205 in order to correct one structure in the claims. Corresponding requests have been filed for the corresponding Chinese, Eurasian and Colombian patents. Our requests for correction in such patents are still being reviewed. If the USPTO and corresponding foreign patent offices do not allow our request for correction and reissue the applicable patents, the scope of our patent rights with respect to CPI-1205 could be narrower and our ability to successfully develop and commercialize CPI-1205 may be materially and adversely affected.

Additionally, the coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. Even if our owned and in-licensed patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our owned and in-licensed patents may be challenged in the courts or patent offices in the United States and abroad. Such challenges may result in loss of exclusivity or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which 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 technology and product candidates. Such proceedings also may result in substantial cost and require significant time from our management and employees, even if the eventual outcome is favorable to us. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. Furthermore, our competitors may be able to circumvent our owned or in-licensed patents by developing similar or alternative technologies or products in a non-infringing manner. As a result, our owned and in-licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing technology and products similar or identical to any of our technology and product candidates.

Moreover, some of our owned and in-licensed patents and patent applications are, and may in the future be, co-owned with third parties. If we are unable to obtain an exclusive license to any such third-party co-owners' interest in such patents or patent applications, such co-owners may be able to license their rights to other third parties, including our competitors, and our competitors could market competing products and technology. In addition, we may need the cooperation of any such co-owner of our patents in order to enforce such patents
against third parties, and such cooperation may not be provided to us. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

Furthermore, our owned and in-licensed patents may be subject to a reservation of rights by one or more third parties. For example, the research resulting in certain of our in-licensed patent rights and technology was funded in part by the U.S. government. As a result, the government may have certain rights, such as march-in rights, to such patent rights and technology. When new technologies are developed with government funding, the government generally obtains certain rights in any resulting patents, including a non-exclusive license authorizing the government to use the invention for non-commercial purposes. These rights may permit the government to disclose our confidential information to third parties and to exercise march-in rights to use or allow third parties to use our licensed technology. The government can exercise its march-in rights if it determines that action is necessary because we fail to achieve practical application of the government-funded technology, because action is necessary to alleviate health or safety needs, to meet requirements of federal regulations, or to give preference to U.S. industry. In addition, our rights in such inventions may be subject to certain requirements to manufacture products embodying such inventions substantially in the United States. Any exercise by the government of such rights could harm our competitive position, business, financial condition, results of operations, and prospects. In addition, under the Research, Development and Commercialization Agreement, or the LLS Agreement, with The Leukemia & Lymphoma Society, or LLS, we are required to use commercially reasonable efforts to research, develop and commercialize CPI-0610. If we fail to meet the foregoing obligation, then, under certain circumstances, LLS may terminate the LLS Agreement and may exercise the exclusive, sublicensable and worldwide license we granted LLS in and to certain of our intellectual property to develop and commercialize CPI-0610.

If we do not obtain patent term extension for any product candidates we may develop, our business may be materially harmed.

In the United States, depending upon the timing, duration, and specifics of any FDA marketing approval of a product candidate, the patent term of a patent that covers an FDA-approved drug may be eligible for limited patent term extension, which permits patent term restoration as compensation for the patent term lost during the FDA regulatory review process. The Drug Price Competition and Patent Term Restoration Act of 1984, also known as the Hatch-Waxman Act, permits a patent term extension of up to five years beyond the expiration of the patent. The length of the patent term extension is related to the length of time the drug is under regulatory review. Patent extension 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 extended and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended. Similar provisions are available in Europe and other non-United States jurisdictions to extend the term of a patent that covers an approved drug. While, in the future, if and when our product candidates receive FDA approval, we expect to apply for patent term extensions on patents covering those product candidates, there is no guarantee that the applicable authorities will agree with our assessment of whether such extensions should be granted, and even if granted, the length of such extensions. We may not be granted an extension because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of the relevant patents, or otherwise failing to satisfy applicable requirements. If we are unable to obtain any patent term extension or the term of any such extension is less than we request, our competitors may obtain approval of competing products following the expiration of our patent rights, and our business, financial condition, results of operations, and prospects could be materially harmed.
Changes to patent laws in the United States and other jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our products.

Changes in either the patent laws or interpretation of patent laws in the United States, including patent reform legislation such as the Leahy-Smith America Invents Act, or the Leahy-Smith Act, could increase the uncertainties and costs surrounding the prosecution of our owned and in-licensed patent applications and the maintenance, enforcement or defense of our owned and in-licensed issued patents. The Leahy-Smith Act includes a number of significant changes to United States patent law. These changes include provisions that affect the way patent applications are prosecuted, redefine prior art, provide more efficient and cost-effective avenues for competitors to challenge the validity of patents, and enable third-party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent at USPTO-administered post-grant proceedings, including post-grant review, inter partes review, and derivation proceedings. Assuming that other requirements for patentability are met, prior to March 2013, in the United States, the first to invent the claimed invention was entitled to the patent, while outside the United States, the first to file a patent application was entitled to the patent. After March 2013, under the Leahy-Smith Act, the United States transitioned to a first-to-file system in which, assuming that the other statutory requirements for patentability are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed invention. As such, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our 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.

In addition, the patent positions of companies in the development and commercialization of biologics and pharmaceuticals are particularly uncertain. Recent U.S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. This combination of events has created uncertainty with respect to the validity and enforceability of patents once obtained. Depending on future actions by the U.S. Congress, the federal courts, and the USPTO, the laws and regulations governing patents could change in unpredictable ways that could have a material adverse effect on our patent rights and our ability to protect, defend and enforce our patent rights in the future.

We or our licensors may become involved in lawsuits to protect or enforce our patent or other intellectual property rights, which could be expensive, time-consuming and unsuccessful.

Competitors and other third parties may infringe, misappropriate or otherwise violate our or our licensor’s issued patents or other intellectual property. As a result, we or our licensors may need to file infringement, misappropriation or other intellectual property related claims, which can be expensive and time-consuming. Any claims we assert against perceived infringers could provoke such parties to assert counterclaims against us alleging that we infringe, misappropriate or otherwise violate their intellectual property. In addition, in a patent infringement proceeding, such parties could counterclaim that the patents we or our licensors have asserted are invalid or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. Third parties may institute such claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, post-grant review, inter partes review, interference proceedings, derivation proceedings, and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings).
An adverse result in any such proceeding could put one or more of our owned or in-licensed patents at risk of being invalidated or interpreted narrowly, and could put any of our owned or in-licensed patent applications at risk of not yielding an issued patent. A court may also refuse to stop the third party from using the technology at issue in a proceeding on the grounds that our owned or in-licensed patents do not cover such technology. 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 or trade secrets could be compromised by disclosure during this type of litigation. Any of the foregoing could allow such third parties to develop and commercialize competing technologies and products and have a material adverse impact on our business, financial condition, results of operations, and prospects.

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

Our commercial success depends upon our ability and the ability of our collaborators to develop, manufacture, market and sell our product candidates and use our proprietary technologies without infringing, misappropriating or otherwise violating the intellectual property and proprietary rights of third parties. There is considerable patent and other intellectual property litigation in the pharmaceutical and biotechnology industries. We may become party to, or threatened with, adversarial proceedings or litigation regarding intellectual property rights with respect to our technology and product candidates, including interference proceedings, post grant review, *inter partes* review, and derivation proceedings before the USPTO and similar proceedings in foreign jurisdictions such as oppositions before the European Patent Office.

The legal threshold for initiating litigation or contested proceedings is low, so that even lawsuits or proceedings with a low probability of success might be initiated and require significant resources to defend. Litigation and contested proceedings can also be expensive and time-consuming, and our adversaries in these proceedings may have the ability to dedicate substantially greater resources to prosecuting these legal actions than we can. The risks of being involved in such litigation and proceedings may increase if and as our product candidates near commercialization and as we gain the greater visibility associated with being a public company. Third parties may assert infringement claims against us based on existing patents or patents that may be granted in the future, regardless of merit. We may not be aware of all such intellectual property rights potentially relating to our technology and product candidates and their uses. Thus, we do not know with certainty that our technology and product candidates, or our development and commercialization thereof, do not and will not infringe, misappropriate or otherwise violate any third party’s intellectual property.

Even if we believe that third party intellectual property claims are without merit, there is no assurance that a court would find in our favor on questions of misappropriation, infringement, validity, enforceability, or priority. A court of competent jurisdiction could hold these third-party patents are valid, enforceable, and infringed, which could materially and adversely affect our ability to commercialize any technology or product candidate covered by the asserted third-party patents. In order to successfully challenge the validity of any such U.S. patent in federal court, we would need to overcome a presumption of validity. As this burden is a high one requiring us to present clear and convincing evidence as to the invalidity of any such U.S. patent claim, there is no assurance that a court of competent jurisdiction would invalidate the claims of any such U.S. patent. If we are found to infringe, misappropriate or otherwise violate a third party’s intellectual property rights, we could be required to obtain a license from such third party to continue developing, manufacturing and marketing our technology and product candidates. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors and other third parties access to the same technologies licensed to us and could require us to make substantial licensing and royalty payments. We could be forced, including by court order, to cease developing, manufacturing and commercializing the infringing technology or product. In addition, we
could be found liable for significant monetary damages, including treble damages and attorneys’ fees, if we are found to have willfully
infringed a patent or other intellectual property right and could be forced to indemnify our customers or collaborators. A finding of
infringement could prevent us from commercializing our product candidates or force us to cease some of our business operations, which
could materially harm our business. In addition, we may be forced to redesign our product candidates, seek new regulatory approvals and
indemnify third parties pursuant to contractual agreements. Claims that we have misappropriated the confidential information or trade
secrets of third parties could have a similar material adverse effect on our business, financial condition, results of operations, and
prospects.

**Intellectual property litigation or other legal proceedings relating to intellectual property could cause us to spend substantial
resources and distract our personnel from their normal responsibilities.**

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant
expenses, and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public
announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors
perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or
proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future
sales, marketing or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings
adequately. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can
because of their greater financial resources and may also have an advantage in such proceedings due to their more mature and
developed intellectual property portfolios. Uncertainties resulting from the initiation and continuation of intellectual property litigation or
other proceedings could compromise our ability to compete in the marketplace.

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

Periodic maintenance, renewal and annuity fees and various other government fees on any issued patent and pending patent application
must be paid to the USPTO and foreign patent agencies in several stages or annually over the lifetime of our owned and in-licensed
patents and patent applications. The USPTO and various foreign governmental patent agencies require compliance with a number of
procedural, documentary, fee payment and other similar provisions during the patent application process. In certain circumstances, we rely
on our licensing partners to pay these fees to, or comply with the procedural and documentary rules of, the relevant patent agency. With
respect to our patents, we rely on an annuity service to remind us of the due dates and to make payment after we instruct them to do so.
While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable
rules, there are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in
partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a
patent or patent application include failure to respond to official actions within prescribed time limits, non-payment of fees and failure to
properly legalize and submit formal documents. In such an event, potential competitors might be able to enter the market with similar or
identical products or technology. If we or our licensors fail to maintain the patents and patent applications covering our product candidates,
it would have a material adverse effect on our business, financial condition, results of operations, and prospects.
If we fail to comply with our obligations in our intellectual property licenses and funding arrangements with third parties, we could lose rights that are important to our business.

We are party to license and funding agreements that impose, and we may enter into additional licensing and funding arrangements with third parties that may impose, diligence, development and commercialization timelines, milestone payments, royalty, insurance and other obligations on us. Under our existing licensing and funding arrangements, we are obligated to pay royalties on net product sales of product candidates or related technologies to the extent they are covered by the agreements. If we fail to comply with such obligations under current or future license and funding agreements, our counterparties may have the right to terminate these agreements or require us to grant them certain rights. Such an occurrence could materially adversely affect the value of any product candidate being developed under any such agreement. For example, under the LLS Agreement, we are required to use commercially reasonable efforts to research, develop and commercialize CPI-0610. If we fail to meet the foregoing obligation, then, under certain circumstances, LLS may terminate the LLS Agreement and may exercise the exclusive, sublicensable and worldwide license we granted LLS in and to certain of our intellectual property to develop and commercialize CPI-0610. Termination of these agreements or reduction or elimination of our rights under these agreements may result in our having to negotiate new or reinstated agreements with less favorable terms, or cause us to lose our rights under these agreements, including our rights to important intellectual property or technology, which would have a material adverse effect on our business, financial condition, results of operations, and prospects.

Additionally, these and other license agreements may not provide exclusive rights to use the licensed intellectual property and technology in all relevant fields of use and in all territories in which we may wish to develop or commercialize our technology and products in the future. As a result, we may not be able to prevent competitors from developing and commercializing competitive products and technology in fields of use and territories not included in such agreements. In addition, we may not have the right to control the preparation, filing, prosecution, maintenance, enforcement, and defense of patents and patent applications covering the technology that we license from third parties. Therefore, we cannot be certain that these patents and patent applications will be prepared, filed, prosecuted, maintained, and defended in a manner consistent with the best interests of our business. If our licensors fail to prosecute, maintain, enforce, and defend such patents, or lose rights to those patents or patent applications, the rights we have licensed may be reduced or eliminated, and our right to develop and commercialize any of our products that are the subject of such licensed rights could be adversely affected.

We may need to obtain additional licenses from others to advance our research or allow commercialization of our product candidates. It is possible that we may be unable to obtain additional licenses at a reasonable cost or on reasonable terms, if at all, or such licenses may be non-exclusive. The licensing or acquisition of third-party intellectual property rights is a competitive area, and several more established companies may pursue strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, capital resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third-party intellectual property rights on terms that would allow us to make an appropriate return on our investment or at all.

If we are unable to obtain rights to required third-party intellectual property rights or maintain the existing intellectual property rights we have, we may be required to expend significant time and resources to redesign our technology, product candidates, or the methods for manufacturing them or to develop or license replacement technology, all of which may not be feasible on a technical or commercial basis. If we are unable to do so, we may be unable to develop or commercialize the affected technology and product candidates, which could harm our business, financial condition, results of operations, and prospects significantly.
Disputes may arise regarding intellectual property subject to a licensing agreement, including:

- the scope of rights granted under the license agreement and other interpretation related issues;
- the extent to which our technology and processes infringe on intellectual property of the licensor that is not subject to the licensing agreement;
- the sublicensing of patent and other rights under our collaborative development relationships;
- our diligence obligations under the license agreement and what activities satisfy those diligence obligations;
- the inventorship and ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our partners; and
- the priority of invention of patented technology.

In addition, the agreements under which we currently license intellectual property or technology from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations, and prospects. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected technology and product candidates, which could have a material adverse effect on our business, financial conditions, results of operations, and prospects.

Our licensors may have relied on third-party consultants or collaborators or on funds from third parties such that our licensors are not the sole and exclusive owners of the patents and patent applications we in-licensed. If other third parties have ownership rights to our in-licensed patents, they may be able to license such patents to our competitors, and our competitors could market competing products and technology. This could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

In spite of our best efforts, our licensors might conclude that we have materially breached our license agreements and might therefore terminate the license agreements, thereby removing our ability to develop and commercialize product candidates and technology covered by these license agreements. If these in-licenses are terminated, or if the underlying intellectual property fails to provide the intended exclusivity, competitors would have the freedom to seek regulatory approval of, and to market, products and technologies identical to ours. This could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

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

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

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets, and other intellectual property protection, particularly those relating to biotechnology products, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our intellectual property and proprietary rights generally. Proceedings to enforce our intellectual property and proprietary rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly, could put our patent applications at risk of not issuing, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property and proprietary 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 patent. If we or any of our licensors is 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.

We may be subject to claims by third parties asserting that our employees, consultants, contractors or we have wrongfully used or disclosed alleged trade secrets of their current or former employers or claims asserting we have misappropriated their intellectual property, or claiming ownership of what we regard as our own intellectual property.

Many of our employees, consultants and contractors were previously employed at universities or other pharmaceutical or biotechnology companies, including our competitors or potential competitors. Although we try to ensure that our employees and contractors do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that these individuals or we have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer. Litigation may be necessary to defend against these claims.

In addition, while it is our policy to require our employees, consultants and contractors who may be involved in the development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own. Our intellectual property assignment agreements with them may not be self-executing or may be breached, and we may be forced to bring claims against third parties, or defend claims they may bring against us, to determine the ownership of what we regard as our intellectual property. Such claims could have a material adverse effect on our business, financial conditions, results of operations, and prospects.

If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel, which could have a material adverse effect on our competitive business position and prospects. Such intellectual property rights 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, which license may not be available on commercially reasonable terms, or at all, or such license may be non-exclusive. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to our management and employees.
If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to seeking patents for some of our technology and product candidates, we also rely on trade secrets and confidentiality agreements to protect our unpatented know-how, technology and other proprietary information, to maintain our competitive position. We seek to protect our trade secrets and other proprietary technology, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, corporate collaborators, outside scientific collaborators, contract research organizations, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. We cannot guarantee that we have entered into such agreements with each party that may have or has had access to our trade secrets or proprietary technology. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Detecting the disclosure or misappropriation of a trade secret and 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 of the United States are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them, or those to whom they communicate it, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor or other third party, our competitive position would be materially and adversely harmed.

Intellectual property rights do not necessarily address all potential threats.

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

- our epigenetics platform is not protected by any patented intellectual property, and we may not be able to develop, acquire or in-license any patentable technologies or other intellectual property related to such platform;
- we, or our license partners or current or future collaborators, might not have been the first to make the inventions covered by the issued patent or pending patent applications that we license or may own in the future;
- we, or our license partners or current or future collaborators, might not have been the first to file patent applications covering certain of our or their inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our owned or in-licensed intellectual property rights;
- it is possible that our owned and in-licensed pending patent applications or those we may own or in-license in the future will not lead to issued patents;
- issued patents that we hold rights to may be held invalid or unenforceable, including as a result of legal challenges by our competitors;
- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we may not develop additional proprietary technologies that are patentable;
the patents of others may harm our business; and

we may choose not to file a patent in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent covering such intellectual property.

Should any of these events occur, they could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Risks related to regulatory approval of our product candidates and other legal compliance matters

Even if we complete the necessary preclinical studies and clinical trials, the marketing approval process is expensive, time-consuming and uncertain and may prevent us from obtaining approvals for the commercialization of some or all of our product candidates. If we are not able to obtain, or if there are delays in obtaining, required regulatory approvals, we will not be able to commercialize our product candidates, and our ability to generate revenue will be materially impaired.

Our product candidates and the activities associated with their development and commercialization, including their design, testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, advertising, promotion, sale and distribution, export and import are subject to comprehensive regulation by the FDA and other regulatory agencies in the United States and by the EMA and similar regulatory authorities outside of the United States. Failure to obtain marketing approval for a product candidate will prevent us from commercializing the product candidate. We have not submitted an application for or received marketing approval for any of our product candidates in the United States or in any other jurisdiction.

We have only limited experience in filing and supporting the applications necessary to gain marketing approvals and expect to rely on third-party clinical research organizations or other third-party consultants or vendors to assist us in this process. Securing marketing approval requires the submission of extensive preclinical and clinical data and supporting information to regulatory authorities for each therapeutic indication to establish the product candidate’s safety and efficacy. Securing marketing approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities by, the regulatory authorities. Our product candidates may not be effective, may be only moderately effective or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude our obtaining marketing approval or prevent or limit commercial use. New cancer drugs frequently are indicated only for patient populations that have not responded to an existing therapy or have relapsed. If any of our product candidates receives marketing approval, the accompanying label may limit the approved use of our drug in this way, which could limit sales of the product.

The process of obtaining marketing approvals, both in the United States and abroad, is expensive, may take many years, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the product candidates involved. Changes in marketing approval policies during the development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for each submitted product application, may cause delays in the approval or rejection of an application. Regulatory authorities have substantial discretion in the approval process and may refuse to accept any application or may decide that our data is insufficient for approval and require additional preclinical, clinical or other studies. In addition, varying interpretations of the data obtained from preclinical and clinical testing could delay, limit or prevent marketing approval of a product candidate. Any marketing approval we ultimately obtain may be limited or subject to restrictions or post-approval commitments that render the approved product not commercially viable.
If we experience delays in obtaining approval or if we fail to obtain approval of our product candidates, the commercial prospects for our
product candidates may be harmed and our ability to generate revenues will be materially impaired.

We may not be able to obtain orphan drug exclusivity for our product candidates and, even if we do, that exclusivity may not
prevent the FDA or the EMA from approving other competing products.

Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs for relatively small patient
populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a product as an orphan drug if it is a drug intended to
treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals in the United States.

Generally, if a product with an orphan drug designation subsequently receives the first marketing approval for the indication for which it
has such designation, the product is entitled to a period of marketing exclusivity, which precludes the FDA or the EMA from approving
another marketing application for the same drug for that time period. The applicable period is seven years in the United States and ten
years in Europe. The exclusivity period in Europe can be reduced to six years if a drug no longer meets the criteria for orphan drug
designation or if the drug is sufficiently profitable so that market exclusivity is no longer justified. Orphan drug exclusivity may be lost if the
FDA or EMA determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient
quantity of the drug to meet the needs of patients with the rare disease or condition.

Even if we obtain orphan drug exclusivity for a product, that exclusivity may not effectively protect the product from competition because
different drugs can be approved for the same condition. In addition, even after an orphan drug is approved, the FDA can subsequently
approve the same drug for the same condition if the FDA concludes that the later drug is clinically superior in that it is shown to be safer,
more effective or makes a major contribution to patient care.

On August 3, 2017, the U.S. Congress passed the FDA Reauthorization Act of 2017, or FDARA. FDARA, among other things, codified the
FDA's pre-existing regulatory interpretation, to require that a drug sponsor demonstrate the clinical superiority of an orphan drug that is
otherwise the same as a previously approved drug for the same rare disease in order to receive orphan drug exclusivity. The new
legislation reverses prior precedent holding that the Orphan Drug Act unambiguously requires that the FDA recognize the orphan
exclusivity period regardless of a showing of clinical superiority. The FDA may further reevaluate the Orphan Drug Act and its regulations
and policies. We do not know if, when or how the FDA may change the orphan drug regulations and policies in the future, and it is
uncertain how any changes might affect our business. Depending on what changes the FDA may make to its orphan drug regulations and
policies, our business could be adversely impacted.

A Fast Track designation by the FDA may not lead to a faster development or regulatory review or approval process.

We may seek Fast Track designation for some of our product candidates. If a drug is intended for the treatment of a serious or life-
threatening condition and the drug demonstrates the potential to address unmet medical needs for this condition, the drug sponsor may
apply for FDA Fast Track designation. The FDA has broad discretion whether or not to grant this designation, so even if we believe a
particular product candidate is eligible for this designation, we cannot assure you that the FDA would decide to grant it. Even if we do
receive Fast Track designation, we may not experience a faster development process, review or approval compared to conventional FDA
procedures. The FDA may withdraw Fast Track designation if it believes that the designation is no longer supported by data from our
clinical development program.
A Breakthrough Therapy designation by the FDA for our product candidates may not lead to a faster development or regulatory review or approval process, and it does not increase the likelihood that our product candidates will receive marketing approval.

We may seek a Breakthrough Therapy designation for some of our product candidates. A Breakthrough Therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For drugs and biologics that have been designated as breakthrough therapies, interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens. Drugs designated as breakthrough therapies by the FDA are also eligible for accelerated approval.

Designation as a breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe one of our product candidates meets the criteria for designation as a breakthrough therapy, the FDA may disagree and instead determine not to make such designation. Even if we receive Breakthrough Therapy designation, the receipt of such designation for a product candidate may not result in a faster development process, review or approval compared to drugs considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if one or more of our product candidates qualify as breakthrough therapies, the FDA may later decide that the products no longer meet the conditions for qualification or decide that the time period for FDA review or approval will not be shortened.

Failure to obtain marketing approval in foreign jurisdictions would prevent our product candidates from being marketed abroad.

In order to market and sell our products in the European Union and many other foreign jurisdictions, we or our potential third-party collaborators must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA approval. The regulatory approval process outside of the United States generally includes all of the risks associated with obtaining FDA approval. In addition, in many countries outside of the United States, it is required that the product be approved for reimbursement before the product can be approved for sale in that country. We or our potential third-party collaborators may not obtain approvals from regulatory authorities outside of the United States on a timely basis, if at all. Approval by the FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one regulatory authority outside of the United States does not ensure approval by regulatory authorities in other countries or jurisdictions or by the FDA. However, a failure or delay in obtaining regulatory approval in one country may have a negative effect on the regulatory process in other countries. We may not be able to file for marketing approvals and may not receive necessary approvals to commercialize our products in any market.

Additionally, on June 23, 2016, the electorate in the United Kingdom voted in favor of leaving the European Union, commonly referred to as Brexit. On March 29, 2017, the United Kingdom formally notified the European Union of its intention to withdraw pursuant to Article 50 of the Lisbon Treaty. Since a significant proportion of the regulatory framework in the United Kingdom is derived from European Union directives and regulations, the withdrawal could materially impact the regulatory regime with respect to the approval of our product candidates in the United Kingdom or the European Union. 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 and/or the European Union and restrict our ability to generate revenue and achieve and sustain profitability. If any of these outcomes occur, we may be forced to restrict or delay efforts to
seek regulatory approval in the United Kingdom and/or European Union for our product candidates, which could significantly and materially harm our business.

If we are required by the FDA to obtain approval of a companion diagnostic in connection with approval of a therapeutic product candidate, and we do not obtain or face delays in obtaining FDA approval of a diagnostic device, we will not be able to commercialize the product candidate and our ability to generate revenue will be materially impaired.

According to FDA guidance, 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. Under the Federal Food, Drug, and Cosmetic Act, or FDCA, companion diagnostics are regulated as medical devices, and the FDA has generally required companion diagnostics intended to select the patients who will respond to cancer treatment to obtain Premarket Approval, or a PMA, for the diagnostic. The PMA process, including the gathering of clinical and preclinical data and the submission to and review by the FDA, 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. A PMA is not guaranteed and may take considerable time, 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. As a result, if we are required by the FDA to obtain approval of a companion diagnostic for a therapeutic product candidate, and we do not obtain or there are delays in obtaining FDA approval of a diagnostic device, we may not be able to commercialize the product candidate on a timely basis or at all and our ability to generate revenue will be materially impaired.

Any product candidate for which we obtain marketing approval could be subject to post-marketing restrictions or withdrawal from the market and we may be subject to substantial penalties if we fail to comply with regulatory requirements or if we experience unanticipated problems with our products, when and if any of them are approved.

Any product candidate for which we obtain marketing approval, along with the manufacturing processes, post-approval clinical data, labeling, advertising and promotional activities for such product, will be subject to continual requirements of and review by the FDA and other regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, registration and listing requirements, cGMP requirements relating to manufacturing, quality control, quality assurance and corresponding maintenance of records and documents, requirements regarding the distribution of samples to physicians and recordkeeping. Even if marketing approval of a product candidate is granted, the approval may be subject to limitations on the indicated uses for which the product may be marketed or to the conditions of approval, including the requirement to implement a REMS. New cancer drugs frequently are indicated only for patient populations that have not responded to an existing therapy or have relapsed. If any of our product candidates receives marketing approval, the accompanying label may limit the approved use of our drug in this way, which could limit sales of the product. The FDA may also impose requirements for costly post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of the product, including the adoption and implementation of REMS. The FDA and other agencies, including the Department of Justice, or the DOJ, closely regulate and monitor the post-approval marketing and promotion of drugs to ensure they are marketed and distributed only for the approved indications and in accordance with the provisions of the approved labeling. The FDA and DOJ impose stringent restrictions on manufacturers' communications regarding off-label use, and if we do not market our products...
for their approved indications, we may be subject to enforcement action for off-label marketing. Violations of the FDCA and other statutes, including the False Claims Act, relating to the promotion and advertising of prescription drugs may lead to investigations and enforcement actions alleging violations of federal and state healthcare fraud and abuse laws, as well as state consumer protection laws.

In addition, later discovery of previously unknown adverse events or other problems with our products, manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may have various consequences, including:

- restrictions on such products, manufacturers or manufacturing processes;
- restrictions and warnings on the labeling or marketing of a product;
- restrictions on product distribution or use;
- requirements to conduct post-marketing studies or clinical trials;
- warning letters or untitled letters;
- withdrawal of the products from the market;
- refusal to approve pending applications or supplements to approved applications that we submit;
- recall of products;
- fines, restitution or disgorgement of profits or revenues;
- suspension or withdrawal of marketing approvals;
- damage to relationships with any potential collaborators;
- unfavorable press coverage and damage to our reputation;
- refusal to permit the import or export of our products;
- product seizure;
- injunctions or the imposition of civil or criminal penalties; or
- litigation involving patients using our products.

Non-compliance with European Union requirements regarding safety monitoring or pharmacovigilance, and with requirements related to the development of products for the pediatric population, can also result in significant financial penalties. Similarly, failure to comply with the European Union’s requirements regarding the protection of personal information can also lead to significant penalties and sanctions.

In addition, manufacturers of approved products and those manufacturers’ facilities are required to comply with extensive FDA requirements, including ensuring that quality control and manufacturing procedures conform to cGMPs applicable to drug manufacturers or quality assurance standards applicable to medical device manufacturers, which include requirements relating to quality control and quality assurance as well as the corresponding maintenance of records and documentation and reporting requirements. We, any contract manufacturers we may engage in the future, our future collaborators and their contract manufacturers will also be subject to other regulatory requirements, including submissions of safety and other post-marketing information and reports, registration and listing requirements, requirements regarding the distribution of samples to clinicians, recordkeeping, and costly post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of the product such as the requirement to implement a REMS.
The efforts of the Trump administration to pursue regulatory reform may limit the FDA’s ability to engage in oversight and implementation activities in the normal course, and that could negatively impact our business.

The Trump 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. On January 30, 2017, President Trump issued an executive order, applicable to all executive agencies, including the FDA, requiring that for each notice of proposed rulemaking or final regulation to be issued in fiscal year 2017, the agency shall identify at least two existing regulations to be repealed, unless prohibited by law. These requirements are referred to as the “two-for-one” provisions. This executive order includes a budget neutrality provision that requires the total incremental cost of all new regulations in the 2017 fiscal year, including repealed regulations, to be no greater than zero, except in limited circumstances. For fiscal years 2018 and beyond, the executive order requires agencies to identify regulations to offset any incremental cost of a new regulation. In interim guidance issued by the Office of Information and Regulatory Affairs within the Office of Management and on February 2, 2017, the Trump administration indicates that the “two-for-one” provisions may apply not only to agency regulations, but also to significant agency guidance documents. It is difficult to predict how these requirements 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.

Our relationships with healthcare providers, physicians and third-party payors will be subject to applicable anti-kickback, fraud and abuse, false claims, transparency, health information privacy and security, and other healthcare laws and regulations, which, in the event of a violation, could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm, administrative burdens and diminished profits and future earnings.

Healthcare providers, physicians and third-party payors will play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our future arrangements with healthcare providers, physicians and third-party payors 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 any products for which we obtain marketing approval. In addition, we may be subject to transparency laws and patient privacy regulation by U.S. federal and state governments and by governments in foreign jurisdictions in which we conduct our business. Restrictions under applicable federal and state healthcare laws and regulations include the following:

- the federal Anti-Kickback Statute prohibits, among other things, persons 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 or arranging of, any good or service, for which payment may be made under a federal healthcare program such as Medicare and Medicaid;

- the federal False Claims Act imposes criminal and civil penalties, including through civil whistleblower or *qui tam* actions, against individuals or entities for, among other things, knowingly presenting, or causing to be presented, false or fraudulent claims for payment by a federal healthcare program or making a false statement or record material to payment of a false claim or avoiding, decreasing or concealing an obligation to pay money to the federal government, with potential liability including mandatory treble damages and significant per-claim penalties, currently set at $5,500 to $11,000 per false claim;
• the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters;

• HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, and their respective implementing regulations, also imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;

• the federal Physician Payments Sunshine Act requires applicable manufacturers of covered drugs to report payments and other transfers of value to physicians and teaching hospitals; and

• analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws and transparency statutes, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers.

Some state laws require pharmaceutical companies to comply with the pharmaceutical 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. Additionally, some state and local laws require the registration of pharmaceutical sales representatives in the jurisdiction. State and foreign laws also govern 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.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices 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 civil, criminal and administrative penalties, damages, fines, imprisonment, exclusion of products from government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations. 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 exclusions from participation in government funded healthcare programs.

Recently enacted and future legislation may increase the difficulty and cost for us to obtain marketing approval of and commercialize our product candidates and affect the prices we may obtain for any products that are approved in the United States or foreign jurisdictions.

In the United States and some foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any product candidates for which we obtain marketing approval. The pharmaceutical industry has been a particular focus of these efforts and have been significantly affected by legislative initiatives. Current laws, 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 FDA approved product.

In the United States, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, or the MMA, changed the way Medicare covers and pays for pharmaceutical products. The legislation expanded Medicare coverage for drug purchases by the elderly and introduced a new reimbursement methodology based
on average sales prices for physician-administered drugs. In addition, this legislation provided authority for limiting the number of drugs that will be covered in any therapeutic class. Cost reduction initiatives and other provisions of this legislation could decrease the coverage and price that we receive for any approved products. While the MMA applies only to drug benefits for Medicare beneficiaries, private payors often follow Medicare coverage policy and payment limitations in setting their own reimbursement rates. Therefore, any reduction in reimbursement that results from the MMA may result in a similar reduction in payments from private payors.

In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively the ACA. Among the provisions of the ACA of potential importance to our business, including, without limitation, our ability to commercialize and the prices we may obtain for any of our product candidates that are approved for sale, are the following:

- an annual, non-deductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic agents;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program;
- expansion of healthcare fraud and abuse laws, including the civil False Claims Act and the federal Anti-Kickback Statute, new government investigative powers and enhanced penalties for noncompliance;
- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% (and 70% starting January 1, 2019) point-of-sale discounts off negotiated prices;
- extension of manufacturers’ Medicaid rebate liability;
- expansion of eligibility criteria for Medicaid programs;
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program;
- new requirements to report certain financial arrangements with physicians and teaching hospitals;
- a new requirement to annually report drug samples that manufacturers and distributors provide to physicians; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. These changes include the Budget Control Act of 2011, which, among other things, led to aggregate reductions to Medicare payments to providers of up to 2% per fiscal year that started in 2013 and, due to subsequent legislative amendments to the statute, will stay in effect through 2027 unless additional congressional action is taken, and the American Taxpayer Relief Act of 2012, which, among other things, reduced Medicare payments to several types of 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 and otherwise affect the prices we may obtain for any of our product candidates for which we may obtain regulatory approval or the frequency with which any such product candidate is prescribed or used. Further, there have been several recent U.S. congressional inquiries and proposed state and federal legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the costs of drugs under Medicare and reform government program reimbursement methodologies for drug products.
We expect that these healthcare reforms, as well as other healthcare reform measures that may be adopted in the future, may result in additional reductions in Medicare and other healthcare funding, more rigorous coverage criteria, new payment methodologies and additional downward pressure on the price that we receive for any approved product and/or the level of reimbursement physicians receive for administering any approved product we might bring to market. Reductions in reimbursement levels may negatively impact the prices we receive or the frequency with which our products are prescribed or administered. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors.

With enactment of the TCJA, which was signed by the President on December 22, 2017, Congress repealed the “individual mandate.” The repeal of this provision, which requires most Americans to carry a minimal level of health insurance, will become effective in 2019. According to the Congressional Budget Office, the repeal of the individual mandate will cause an estimated 13 million fewer Americans to be insured in 2027 and premiums in insurance markets may rise. Additionally, on January 22, 2018, President Trump signed a continuing resolution on appropriations for fiscal year 2018 that delayed the implementation of certain ACA-mandated fees, including the so-called “Cadillac” tax on certain high cost employer-sponsored insurance plans, the annual fee imposed on certain health insurance providers based on market share, and the medical device excise tax on non-exempt medical devices. Further, the Bipartisan Budget Act of 2018, among other things, amends the ACA, effective January 1, 2019, to increase from 50% to 70% the point-of-sale discount that is owed by pharmaceutical manufacturers who participate in Medicare Part D and to close the coverage gap in most Medicare drug plans, commonly referred to as the “donut hole”. Further, each chamber of the U.S. Congress has put forth multiple bills designed to repeal or repeal and replace portions of the ACA. Although none of these measures has been enacted by Congress to date, Congress may consider other legislation to repeal and replace elements of the ACA. The U.S. Congress will likely consider other legislation to replace elements of the ACA, during the next Congressional session.

The Trump administration has also taken executive actions to change or delay implementation of the ACA. In January 2017, President Trump signed an executive order directing federal agencies with authorities and responsibilities under the ACA to waive, defer, grant exemptions from, or delay the implementation of any provision of the ACA that would impose a fiscal or regulatory burden on states, individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices. In October 2017, the President signed a second executive order allowing for the use of association health plans and short-term health insurance, which may provide fewer health benefits than the plans sold through the ACA exchanges. At the same time, the Trump administration announced that it will discontinue the payment of cost-sharing reduction, or CSR, payments to insurance companies until Congress approves the appropriation of funds for such CSR payments. The loss of the CSR payments is expected to increase premiums on certain policies issued by qualified health plans under the ACA. A bipartisan bill to appropriate funds for CSR payments was introduced in the Senate, but the future of that bill is uncertain. We will continue to evaluate the effect that the ACA and its possible repeal and replacement could have on our business.

The costs of prescription pharmaceuticals have also been the subject of considerable discussion in the United States, and members of Congress and the Trump administration have stated that they will address such costs through new legislative and administrative measures. To date, there have been several recent U.S. congressional inquiries and proposed and enacted state and federal legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the costs of drugs under Medicare and reform government program reimbursement methodologies for drug products. At the federal level, the Trump administration's budget proposal for fiscal year 2019 contains further drug price control measures that could be enacted during the 2019 budget process or in other future legislation, including, for example, measures to permit Medicare Part D plans to negotiate the
price of certain drugs under Medicare Part B, to allow some states to negotiate drug prices under Medicaid, and to eliminate cost sharing for generic drugs for low-income patients. While any proposed measures will require authorization through additional legislation 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 are increasingly passing legislation and implementing 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.

Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. We cannot be sure whether additional legislative changes will be enacted, or whether the 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. Increased scrutiny by the U.S. 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.

Governments outside of the United States tend to impose strict price controls, which may adversely affect our revenues, if any. In some countries, particularly the countries of the European Union, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a product. 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. If reimbursement of our products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be harmed, possibly materially.

If we or any third-party manufacturers we engage now or in the future fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs or liabilities that could harm our business.

We and third-party manufacturers we engage now are, and any third-party manufacturers we may engage in the future will be, 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. Liability under certain environmental laws governing the release and cleanup of hazardous materials is joint and several and could be imposed without regard to fault. We also could incur significant costs associated with civil or criminal fines and penalties or become subject to injunctions limiting or prohibiting our activities for failure to comply with such laws and regulations.

Although we maintain general liability insurance as well as workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials.
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 production efforts. Our failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

Further, with respect to the operations of our current and any future third-party contract manufacturers, it is possible that if they fail to operate in compliance with applicable environmental, health and safety laws and regulations or properly dispose of wastes associated with our products, we could be held liable for any resulting damages, suffer reputational harm or experience a disruption in the manufacture and supply of our product candidates or products. In addition, our supply chain may be adversely impacted if any of our third party contract manufacturers become subject to injunctions or other sanctions as a result of their non-compliance with environmental, health and safety laws and regulations.

We are subject to anti-corruption laws, as well as export control laws, customs laws, sanctions laws and other laws governing our operations. If we fail to comply with these laws, we could be subject to civil or criminal penalties, other remedial measures and legal expenses, be precluded from developing manufacturing and selling certain products outside the United States or be required to develop and implement costly compliance programs, which could adversely affect our business, results of operations and financial condition.

Our operations are subject to anti-corruption laws, including the U.K. Bribery Act 2010, or Bribery Act, the U.S. Foreign Corrupt Practices Act, or FCPA, and other anti-corruption laws that apply in countries where we do business and may do business in the future. The Bribery Act, FCPA and these other laws generally prohibit us, our officers, and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. Compliance with the FCPA, in particular, is expensive and difficult, particularly in countries in which corruption is a recognized problem. In addition, the FCPA presents particular challenges in the pharmaceutical industry, because, in many countries, hospitals are operated by the government, and doctors and other hospital employees are considered foreign officials. Certain payments to hospitals in connection with clinical trials and other work have been deemed to be improper payments to government officials and have led to FCPA enforcement actions.

We may in the future operate in jurisdictions that pose a high risk of potential Bribery Act or FCPA violations, and we may participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under the Bribery Act, FCPA or local anti-corruption laws. In addition, we cannot predict the nature, scope or effect of future regulatory requirements to which our international operations might be subject or the manner in which existing laws might be administered or interpreted. If we expand our operations outside of the United States, we will need to dedicate additional resources to comply with numerous laws and regulations in each jurisdiction in which we plan to operate.

We are also subject to other laws and regulations governing our international operations, including regulations administered by the governments of the United Kingdom and the United States, and authorities in the European Union, including applicable export control regulations, economic sanctions on countries and persons, customs requirements and currency exchange regulations, collectively referred to as the Trade Control laws. In addition, various laws, regulations and executive orders also restrict the use and dissemination outside of the United States, or the sharing with certain non-U.S. nationals, of information classified for national security purposes, as well as certain products and technical data relating to those products. If we expand our presence outside of the United States, it will require us to dedicate additional resources to comply with these laws, and these laws may preclude us from developing, manufacturing, or selling certain products and product candidates outside of the United States, which could limit our growth potential and increase our development costs.

There is no assurance that we will be completely effective in ensuring our compliance with all applicable anti-corruption laws, including the Bribery Act, the FCPA or other legal requirements, including Trade Control laws. If we
are not in compliance with the Bribery Act, the FCPA and other anti-corruption laws or Trade Control laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. The Securities and Exchange Commission also may suspend or bar issuers from trading securities on U.S. exchanges for violations of the FCPA's accounting provisions. Any investigation of any potential violations of the Bribery Act, the FCPA, other anti-corruption laws or Trade Control laws by United Kingdom, U.S. or other authorities could also have an adverse impact on our reputation, our business, results of operations and financial condition.

Our employees may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements, which could cause significant liability for us and harm our reputation.

We are exposed to the risk of employee fraud or other misconduct, including intentional failures to comply with FDA regulations or similar regulations of comparable foreign regulatory authorities, provide accurate information to the FDA or comparable foreign regulatory authorities, comply with manufacturing standards, comply with federal and state healthcare fraud and abuse laws and regulations and similar laws and regulations established and enforced by comparable foreign regulatory authorities, report financial information or data accurately or disclose unauthorized activities to us. Employee misconduct 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. This could include violations of HIPAA, other U.S. federal and state law, and requirements of non-U.S. jurisdictions, including the European Union Data Protection Directive. It is not always possible to identify and deter employee misconduct, 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 be in compliance with such laws, standards, regulations, guidance or codes of conduct. 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 and results of operations, including the imposition of significant fines or other sanctions.

Our internal computer systems, or those of our collaborators or other contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of our product development programs.

Our internal computer systems and those of any collaborators, contractors or consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. Such systems are also vulnerable to service interruptions or to security breaches from inadvertent or intentional actions by our employees, third-party vendors and/or business partners, or from cyber-attacks by malicious third parties. Cyber-attacks are increasing in their frequency, sophistication and intensity, and have become increasingly difficult to detect. Cyber-attacks could include the deployment of harmful malware, ransomware, denial-of-service attacks, social engineering and other means to affect service reliability and threaten the confidentiality, integrity and availability of information. Cyber-attacks also could include phishing attempts or e-mail fraud to cause payments or information to be transmitted to an unintended recipient.

While we have not experienced any such material system failure, accident, cyber-attack or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations, whether due to a loss of our trade secrets or other proprietary information or other similar disruptions. For example, the loss of clinical trial data from completed or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. 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, our competitive position could be harmed and the further development and commercialization of our product candidates could be delayed.
Risks related to employee matters and managing growth

Our future success depends on our ability to retain key executives and to attract, retain and motivate qualified personnel.

We are highly dependent on the research and development, clinical and business expertise of our executive officers, as well as the other principal members of our management, scientific and clinical teams. Although we have entered into employment letter agreements with our executive officers, each of them may terminate their employment with us at any time. We do not maintain “key person” insurance for any of our executive officers or other employees.

Recruiting and retaining qualified scientific, clinical, manufacturing, legal and sales and marketing personnel will also be critical to our success. The loss of the services of our executive officers or other key employees could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy. Furthermore, replacing executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize products. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited.

We expect to expand our development and regulatory capabilities and potentially implement sales, marketing and distribution capabilities, and as a result, we may encounter difficulties in managing our growth, which could disrupt our operations.

We expect to experience significant growth in the number of our employees and the scope of our operations, particularly in the areas of drug development, clinical, regulatory affairs and, if any of our product candidates receives marketing approval, sales, marketing and distribution. 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. Due to our limited financial resources and the limited experience of our management team in managing a company with such anticipated growth, 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. Any inability to manage growth could delay the execution of our business plans or disrupt our operations.

Risks related to our common stock

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

Upon the closing of this offering, our executive officers and directors and our stockholders who owned more than 5% of our outstanding common stock before this offering will, in the aggregate, beneficially own shares representing approximately % of our capital stock. As a result, if these stockholders were to choose to act together, they would be able to control all matters submitted to our stockholders for approval, as well as our
management and affairs. For example, these persons, if they choose to act together, would control the election of directors and approval of any merger, consolidation or sale of all or substantially all of our assets.

This concentration of ownership control may:

- delay, defer or prevent a change in control;
- entrench our management and board of directors; or
- delay or prevent a merger, consolidation, takeover or other business combination involving us that other stockholders may desire.

Provisions in our corporate charter documents and under Delaware law could make an acquisition of our company, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our certificate of incorporation and our bylaws that will become effective upon the closing of this offering may discourage, delay or prevent a merger, acquisition or other change in control of our company that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. In addition, because our board of directors is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors. Among other things, these provisions:

- establish a classified board of directors such that only one of three classes of directors is elected each year;
- allow the authorized number of our directors to be changed only by resolution of our board of directors;
- limit the manner in which stockholders can remove directors from our board of directors;
- establish advance notice requirements for stockholder proposals that can be acted on at stockholder meetings and nominations to our board of directors;
- require that stockholder actions must be effected at a duly called stockholder meeting and prohibit actions by our stockholders by written consent;
- limit who may call stockholder meetings;
- authorize our board of directors to issue preferred stock without stockholder approval, which could be used to institute a “poison pill” that would work to dilute the stock ownership of a potential hostile acquirer, effectively preventing acquisitions that have not been approved by our board of directors; and
- require the approval of the holders of at least 75% of the votes that all our stockholders would be entitled to cast to amend or repeal specified provisions of our certificate of incorporation or bylaws that will become effective upon the closing of this offering.

Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner.
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 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 net tangible book value per share after this offering. To the extent outstanding options or warrants are exercised, you will incur further dilution. Based on an assumed initial public offering price of $\_\_\_\_ per share, which is the midpoint of the estimated 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 net tangible book value per share, after giving effect to this offering, and the assumed initial public offering price.

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. Although we applied to have our common stock approved for listing on the Nasdaq Global Market, 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.

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

The trading market for our common stock will rely, in part, on the research and reports that industry or financial analysts publish about us or our business. We do not currently have, and may never obtain, research coverage by industry or financial analysts. If no, or few, analysts commence coverage of us, the trading price of our stock would likely decrease. Even if we do obtain analyst coverage, if one or more of the analysts covering our business downgrade their evaluations of our stock or publish inaccurate or unfavorable research about our business, the price of our stock could decline. If one or more of these analysts cease to cover our stock, we could lose visibility in the market for our stock, which in turn could cause our stock price and trading volume to decline.

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

- results of or developments in clinical trials of our product candidates or those of our competitors;
- our success in commercializing our product candidates, if and when approved;
- the success of competitive products or technologies;
- regulatory or legal developments in the United States and other countries;
- developments or disputes concerning patent applications, issued patents or other intellectual property or 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 discover, develop, acquire or in-license products, product candidates or technologies, the costs of commercializing any such products and the costs of development of any such product candidates or technologies;

• actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;

• variations in our financial results or the financial results of companies that are perceived to be similar to us;

• changes in the structure of healthcare payment systems;

• market conditions in the pharmaceutical and biotechnology sectors;

• general economic, industry and market conditions; and

• the other factors described in this “Risk factors” section.

In the past, following periods of volatility in the market price of a company's securities, securities class-action litigation has often been instituted against that company. Such litigation, if instituted against us, could cause us to incur substantial costs to defend such claims and divert management's attention and resources.

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 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.

A significant portion of our total outstanding shares are 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, 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

shares of common stock outstanding based on the number of shares outstanding as of

 shares of our common stock will have rights, along with holders of an additional

shares of our common stock issuable upon exercise of outstanding warrants and options, 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 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 Jumpstart Our Business Startups Act of 2012, or the JOBS Act. We may remain an emerging growth company until the end of the fiscal year in which the fifth anniversary of this offering occurs, although if the market value of our common stock that is held by non-affiliates exceeds $700 million as of any June 30 before that time or if we have annual gross revenues of $1.07 billion or more in any fiscal year, we would cease to be an emerging growth company as of December 31 of the applicable year. We also would cease to be an emerging growth company if we issue more than $1 billion of non-convertible debt over a three-year period. 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 nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We have taken advantage of reduced reporting obligations in this prospectus. 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.

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 permits an emerging growth company to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies until those standards would otherwise apply to private companies. We have elected not to “opt out” of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we will adopt the new or revised standard at the time private companies adopt the new or revised standard and will do so until such time that we either (i) irrevocably elect to “opt out” of such extended transition period or (ii) no longer qualify as an emerging growth company.

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 of 2002, 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 of 2002, or 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 in our internal control over financial reporting, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

We and our independent registered public accounting firm have identified a material weakness in our internal control over financial reporting. If we are unable to remediate this material weakness, or if we identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect our business and the market price of our common stock.

In preparation of our financial statements to meet the requirements applicable to this offering, we and our independent registered public accounting firm identified a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

The material weakness identified related to deficiencies in our controls over the financial statement close. Specifically, we did not design and maintain effective controls over the completeness and review of the presentation and computation of net loss per share attributable to common stockholders as well as over the presentation of outstanding common shares in the statement of equity. This control deficiency could result in a misstatement of our accounts or disclosures that could result in a material misstatement of our annual or interim financial statements that would not be prevented or detected on a timely basis, and accordingly, we determined that the control deficiency constitutes a material weakness. The material weakness also resulted in immaterial changes to our previously reported net loss attributable to common stockholders and net loss per share attributable to common stockholders, basic and diluted, for the years ended December 31, 2016 and 2017.
We are in the process of developing a remediation plan designed to improve our internal control over financial reporting to remediate this material weakness, including formalizing our financial close process and documentation as well as strengthening supervisory reviews by our financial management and expanding our accounting and finance team to add additional qualified accounting and finance resources.

We cannot assure you that the measures we have taken to date, and actions we may take in the future, will be sufficient to remediate the control deficiencies that led to our material weakness in our internal control over financial reporting or that they will prevent or avoid potential future material weaknesses. In addition, neither our management nor an independent registered public accounting firm has performed an evaluation of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act because no such evaluation has been required. Had we or our independent registered public accounting firm performed an evaluation of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act, additional material weaknesses may have been identified. If we are unable to successfully remediate our existing or any future material weaknesses in our internal control over financial reporting, or identify any additional material weaknesses in the future, or otherwise fail to maintain an effective system of internal controls, the accuracy and timing of our financial reporting may be adversely affected, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements, investors may lose confidence in our financial reporting, and the market price of our common stock may decline as a result.

**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 our loan agreement preclude, and any future debt agreements 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.

**Our certificate of incorporation that will become effective upon the closing of this offering designates the state courts in the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could discourage lawsuits against the company and our directors, officers and employees.**

Our certificate of incorporation that will become effective upon the closing of this offering provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware does not have jurisdiction, the federal district court for the District of Delaware) will be the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or stockholders to our company or our stockholders, (3) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, or the DGCL, or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (4) any action asserting a claim arising pursuant to any provision of our certificate of incorporation or bylaws (in each case, as they may be amended from time to time) or governed by the internal affairs doctrine. This exclusive forum provision may limit the ability of our stockholders to bring a claim in a judicial forum that such stockholders find favorable for disputes with us or our directors, officers or employees, which may discourage such lawsuits against us and our directors, officers and employees.
Cautionary note regarding forward-looking statements and industry data

This prospectus contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical fact, contained in this prospectus, including statements regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans and objectives of management, are forward-looking statements. The words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “would,” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

The forward-looking statements in this prospectus include, among other things, statements about:

- our ongoing clinical trials, including our Phase 1b/2 clinical trial of CPI-1205 for the treatment of mCRPC in combination with enzalutamide or abiraterone acetate; our Phase 1b/2 clinical trial of CPI-1205 for the treatment of patients with solid tumors in combination with ipilimumab or pembrolizumab; and our Phase 2 clinical trial of CPI-0610 as a monotherapy or in combination with ruxolitinib in patients with MF who have been previously treated with ruxolitinib or an investigational JAK1/JAK2 inhibitor;
- the initiation, timing, progress and results of our current and future preclinical studies and clinical trials and our research and development programs;
- our plans to develop and, if approved, subsequently commercialize CPI-1205, CPI-0610, CPI-0209 and any other product candidates, including in combination with other drugs and therapies;
- the timing of and our ability to submit applications for, obtain and maintain regulatory approvals for CPI-1205, CPI-0610, CPI-0209 and other product candidates;
- our expectations regarding our ability to fund our operating expenses and capital expenditure requirements with our cash and cash equivalents and proceeds of this offering;
- the potential advantages of our product candidates;
- the rate and degree of market acceptance and clinical utility of our products;
- our estimates regarding the potential market opportunity for our product candidates;
- our commercialization, marketing and manufacturing capabilities and strategy;
- our intellectual property position;
- our ability to identify products, product candidates or technologies with significant commercial potential that are consistent with our commercial objectives;
- our expectations related to the use of proceeds from this offering;
- our estimates regarding expenses, future revenue, timing of any future revenue, capital requirements and needs for additional financing;
- the impact of government laws and regulations;
- our competitive position;
- developments relating to our competitors and our industry;
We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have included important factors in the cautionary statements included in this prospectus, particularly in the “Risk factors” section, that we believe could cause actual results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, collaborations, joint ventures or investments we may make or enter into.

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. The forward-looking statements contained in this prospectus are made as of the date of this prospectus, and we do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

This prospectus includes statistical and other industry and market data that we obtained from industry publications and research, surveys and studies conducted by third parties as well as our own estimates of potential market opportunities. All of the market data used in this prospectus involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such data. Industry publications and third-party research, surveys and studies generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. Our estimates of the potential market opportunities for our product candidates include several key assumptions based on our industry knowledge, industry publications, third-party research and other surveys, which may be based on a small sample size and may fail to accurately reflect market opportunities. While we believe that our internal assumptions are reasonable, no independent source has verified such assumptions.
Use of proceeds

We estimate that the net proceeds from our issuance and sale of shares of our common stock in this offering will be approximately $ million, assuming an 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 estimated underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters exercise their option to purchase additional shares of our common stock in full, we estimate that the net proceeds from this offering will be approximately $ million.

A $1.00 increase (decrease) in the 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, would increase (decrease) the net proceeds to us from this offering 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 estimated underwriting discounts and commissions and estimated offering expenses payable by us. An increase (decrease) of 1,000,000 shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming no change in the assumed initial public offering price per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

As of March 31, 2018, we had cash and cash equivalents of $71.5 million, which does not include $31.3 million of gross proceeds received from the sale of additional shares of our Series F preferred stock in April 2018. We currently estimate that we will use the net proceeds from this offering, together with our existing cash and cash equivalents, as follows:

- approximately $ million to fund the clinical development of CPI-1205 for the treatment of metastatic castration resistant prostate cancer, including ;
- approximately $ million to fund the clinical development of CPI-1205 for the treatment of solid tumors, including ;
- approximately $ million to fund the clinical development of CPI-0610 for the treatment of myelofibrosis, including ;
- approximately $ million to fund the development of CPI-0209;
- approximately $ million to advance our current pipeline of preclinical candidates and to research and develop additional preclinical product candidates using our platform; and
- the remainder for working capital and other general corporate purposes.

This expected use of net proceeds from this offering and our existing cash and cash equivalents represents our intentions based upon our current plans and business conditions, which could change in the future as our plans and business conditions evolve. The amounts and timing of our actual expenditures may vary significantly depending on numerous factors, including the progress of our development, the status of and results from clinical trials, the timing of regulatory submissions and the outcome of regulatory review, as well as any collaborations that we may enter into with third parties for our product candidates, and any unforeseen cash needs. As a result, our management will retain broad discretion over the allocation of the net proceeds from this offering.

Based on our planned use of the net proceeds from this offering, together with our existing cash and cash equivalents, we estimate that such funds will be sufficient to enable us to fund our operating expenses, capital expenditure requirements and debt service payments through . We do not anticipate that the net
proceeds from this offering together with our existing cash and cash equivalents will be sufficient to allow us to ... We will require additional capital to advance CPI-1205, CPI-0610 and CPI-0209 through necessary clinical trials and complete the clinical development of CPI-1205, CPI-0610 and CPI-0209 or commercialize any of the product candidates, if we receive regulatory approval. We have based these estimates on assumptions that may prove to be wrong, including assumptions regarding the clinical trials necessary for FDA approval of our product candidates, and we could use our capital resources sooner than we currently expect. Due to the numerous risks and uncertainties associated with product development, including the risks and uncertainties with respect to successful enrollment and completion of clinical trials, at this time, we cannot reasonably estimate the amount of additional funding that will be necessary to complete the clinical development of CPI-1205, CPI-0610, CPI-0209 or any future product candidates. If we receive regulatory approval for CPI-1205, CPI-0610, CPI-0209 or other product candidates, we expect to incur significant commercialization expenses related to product manufacturing, sales, marketing and distribution. Pending our use of the net proceeds from this offering, we intend to invest the net proceeds in a variety of capital preservation investments, including short-term, investment-grade, interest-bearing instruments and U.S. government securities.
Dividend policy

We have never declared or paid cash dividends on our common stock. We currently intend to retain all available funds and any future earnings to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. In addition, our ability to pay cash dividends is currently restricted by the terms of our loan and security agreement with Oxford Finance LLC and Silicon Valley Bank, and future debt or other financing arrangements may contain terms prohibiting or limiting the amount of dividends that may be declared or paid on our common stock. Any future determination to declare and pay dividends will be made at the discretion of our board of directors and will depend on then-existing conditions, including our results of operations, financial condition, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant.
Capitalization

The following table sets forth our cash and cash equivalents and our capitalization as of March 31, 2018:

- on an actual basis;
- on a pro forma basis to give effect to (i) our issuance and sale in April 2018 of an aggregate of 31,250,000 shares of Series F preferred stock for gross proceeds of $31.3 million, (ii) the automatic conversion of all outstanding shares of our preferred stock, including the shares of Series F preferred stock issued in April 2018, into an aggregate of 225,705,965 shares of common stock upon the closing of this offering, and (iii) all outstanding warrants to purchase shares of preferred stock automatically becoming warrants to purchase 375,000 shares of common stock upon the closing of this offering and (iv) the filing and effectiveness of our amended and restated certificate of incorporation; and
- on a pro forma as adjusted basis to give further effect to our issuance and sale of shares of our common stock in this offering at 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 estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma and pro forma as adjusted information below is illustrative only, and our capitalization following the completion of this offering will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing. You should read the information in this table together with our financial statements and the related notes appearing at the end of this prospectus and the “Selected financial data” and “Management’s discussion and analysis of financial condition and results of operations” sections of this prospectus.

<table>
<thead>
<tr>
<th>(in thousands, except share and per share data)</th>
<th>As of March 31, 2018</th>
<th>Pro forma</th>
<th>Pro forma as adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$71,502</td>
<td>$102,752</td>
<td>$98,351</td>
</tr>
<tr>
<td>Long-term debt, net of discount, including current portion</td>
<td>$2,373</td>
<td>$2,373</td>
<td>$2,373</td>
</tr>
<tr>
<td>Preferred stock warrant liability</td>
<td>189</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Convertible preferred stock (Series A, B, D, E, E-1 and F), $0.001 par value; 219,242,177 shares authorized, 187,367,177 shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted</td>
<td>241,596</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Stockholders’ equity (deficit)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred stock, $0.001 par value; no shares authorized, issued or outstanding, actual; shares authorized and no shares issued or outstanding pro forma and pro forma as adjusted</td>
<td>—</td>
<td></td>
<td>—</td>
</tr>
<tr>
<td>Common stock, $0.0001 par value; 290,000,000 shares authorized, 13,137,293 shares issued and 13,130,731 shares outstanding, actual; 290,000,000 shares authorized, 238,843,258 shares issued and 238,836,696 shares outstanding, pro forma; shares authorized, shares issued and outstanding, pro forma as adjusted</td>
<td>1</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>8,956</td>
<td>281,968</td>
<td></td>
</tr>
<tr>
<td>Accumulated deficit</td>
<td>(186,014)</td>
<td>(186,014)</td>
<td></td>
</tr>
<tr>
<td>Total stockholders’ equity (deficit)</td>
<td>(177,057)</td>
<td>95,978</td>
<td></td>
</tr>
<tr>
<td>Total capitalization</td>
<td>$67,101</td>
<td>$98,351</td>
<td>$98,351</td>
</tr>
</tbody>
</table>
A $1.00 increase (decrease) in the 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, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, additional paid-in capital, total stockholders’ equity and total capitalization 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 estimated underwriting discounts and commissions and estimated offering expenses payable by us. An increase (decrease) of 1,000,000 shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, additional paid-in capital, total stockholders’ equity and total capitalization by $\_\_\_ million, assuming no change in the assumed initial public offering price per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The table above does not include:

- 24,482,258 shares of common stock issuable upon the exercise of stock options outstanding as of March 31, 2018, at a weighted average exercise price of $0.55 per share;
- an additional 5,041,883 shares of common stock issuable upon the exercise of stock options granted after March 31, 2018, at an exercise price of $0.73 per share;
- 7,229,949 shares of common stock available for future issuance as of March 31, 2018 under our 2008 Stock Incentive Plan, as amended, or the 2008 Plan, of which options to purchase 5,041,883 shares of common stock were granted after March 31, 2018;
- 30,600,000 and 3,000,000 additional shares of our common stock that will become available for future issuance under our 2018 Equity Incentive Plan, of which our board of directors has granted options to purchase an aggregate of 9,369,329 shares to certain of our employees and non-employee directors effective upon the commencement of trading of our common stock on the Nasdaq Stock Market, and our 2018 Employee Stock Purchase Plan, respectively, which will become effective immediately prior to the effectiveness of the registration statement of which this prospectus is a part, respectively, as well as any automatic increases in the number of shares of common stock reserved for future issuance under these plans;
- 375,000 shares of common stock issuable upon the exercise of warrants outstanding as of March 31, 2018 to purchase preferred stock that will automatically become warrants to purchase 375,000 shares of common stock upon the closing of this offering, at an exercise price of $1.20 per share; and
- 1,250,000 shares of common stock issuable upon the exercise of warrants outstanding as of March 31, 2018 to purchase shares of common stock, at an exercise price of $0.14 per share.
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 immediately after this offering.

Our historical net tangible book value (deficit) as of March 31, 2018 was $(177.5) million, or $(13.51) per share of common stock. Our historical net tangible book value (deficit) is the amount of our total tangible assets less our total liabilities and the carrying value of our preferred stock, which is not included within stockholders’ equity (deficit). Historical net tangible book value (deficit) per share represents historical net tangible book value (deficit) divided by the 13,137,293 shares of common stock outstanding as of March 31, 2018, including 6,562 shares issued upon early exercise of stock options that are subject to repurchase by us.

Our pro forma net tangible book value as of March 31, 2018 was $95.6 million, or $0.40 per share of 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) our issuance and sale in April 2018 of an aggregate of 31,250,000 shares of Series F preferred stock for gross proceeds of $31.3 million, (ii) the automatic conversion of all outstanding shares of our preferred stock, including the shares of Series F preferred stock issued in April 2018, into an aggregate of 225,705,965 shares of common stock upon the closing of this offering and (iii) all outstanding warrants to purchase shares of preferred stock automatically becoming warrants to purchase 375,000 shares of common stock upon the closing of this offering. Pro forma net tangible book value per share represents pro forma net tangible book value divided by the total number of shares outstanding as of March 31, 2018, 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 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, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of March 31, 2018 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 shares of 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 assumed initial public offering price per share paid by new investors. The following table illustrates this dilution on a per share basis:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assumed initial public offering price per share</td>
<td>$</td>
</tr>
<tr>
<td>Historical net tangible book value (deficit) per share as of March 31, 2018</td>
<td>$(13.51)</td>
</tr>
<tr>
<td>Increase per share attributable to the pro forma adjustments described above</td>
<td>13.91</td>
</tr>
<tr>
<td>Pro forma net tangible book value per share as of March 31, 2018</td>
<td>$0.40</td>
</tr>
<tr>
<td>Pro forma as adjusted net tangible book value per share attributable to new investors purchasing shares of common stock in this offering</td>
<td>$4.51</td>
</tr>
</tbody>
</table>

The dilution information discussed above is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing. A $1.00 increase (decrease) in the 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, would increase (decrease) our pro forma as adjusted net tangible book value.
per share after this offering by $\$, and dilution per share to new investors purchasing shares of common stock 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 estimated underwriting discounts and commissions and estimated offering expenses payable by us. An increase of 1,000,000 shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase our pro forma as adjusted net tangible book value per share after this offering by $\$, and decrease the dilution per share to new investors purchasing shares of common stock in this offering by $\$, assuming no change in the assumed initial public offering price per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. A decrease of 1,000,000 shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would decrease our pro forma as adjusted net tangible book value per share after this offering by $\$, and increase the dilution per share to new investors purchasing shares of common stock in this offering by $\$, assuming no change in the assumed initial public offering price per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

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 $\$, 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 shares of common stock in this offering, assuming an initial public offering price of $\$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The following table summarizes, as of March 31, 2018, on the pro forma as adjusted basis described above, the total number of shares of common stock purchased from us on an as converted to common stock basis, the total consideration paid or to be paid and the average price per share paid or to be paid by existing stockholders and by new investors in this offering at 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, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. As the table shows, new investors purchasing shares of common stock in this offering will pay an average price per share substantially higher than our existing stockholders paid.

<table>
<thead>
<tr>
<th>Shares purchased</th>
<th>Total consideration</th>
<th>Average price per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>Percent</td>
<td>Amount</td>
</tr>
<tr>
<td>Existing stockholders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investors purchasing shares of common stock in this offering</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

A $1.00 increase (decrease) in the 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, would increase (decrease) the total consideration paid by new investors by $\$, 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. An increase (decrease) of 1,000,000 shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase (decrease) the total consideration paid by new investors by $\$, and, in the case of an increase, would increase the percentage points and, in the case of a decrease, would
decrease the percentage of total consideration paid by new investors by percentage points, assuming no change in the assumed initial public offering price.

The table above assumes no exercise of the underwriters’ option to purchase additional shares in this offering. If the underwriters exercise their option to purchase additional shares 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 purchasing shares of common stock in this offering would be increased to % of the total number of shares of our common stock outstanding after this offering.

The tables and discussion above are based on the number of shares of our common stock outstanding as of March 31, 2018, and exclude:

- 24,482,258 shares of common stock issuable upon the exercise of stock options outstanding as of March 31, 2018, at a weighted average exercise price of $0.55 per share;
- an additional 5,041,883 shares of common stock issuable upon the exercise of stock options granted after March 31, 2018, at an exercise price of $0.73 per share;
- 7,229,949 shares of common stock available for future issuance as of March 31, 2018 under the 2008 Plan, as amended, of which options to purchase 5,041,883 shares of common stock were granted after March 31, 2018;
- 30,600,000 and 3,000,000 additional shares of our common stock that will become available for future issuance under our 2018 Equity Incentive Plan, of which our board of directors has granted options to purchase an aggregate of 9,369,329 shares to certain of our employees and non-employee directors effective upon the commencement of trading of our common stock on the Nasdaq Stock Market, and our 2018 Employee Stock Purchase Plan, respectively, which will become effective immediately prior to the effectiveness of the registration statement of which this prospectus is a part, respectively, as well as any automatic increases in the number of shares of common stock reserved for future issuance under these plans;
- 375,000 shares of common stock issuable upon the exercise of warrants outstanding as of March 31, 2018 to purchase preferred stock that will automatically become warrants to purchase 375,000 shares of common stock upon the closing of this offering, at an exercise price of $1.20 per share; and
- 1,250,000 shares of common stock issuable upon the exercise of warrants outstanding as of March 31, 2018 to purchase shares of common stock, at an exercise price of $0.14 per share.

To the extent that outstanding stock options or warrants are exercised, new stock options or warrants are issued, or we issue additional shares of common stock in the future, there will be further dilution to investors purchasing shares of common stock in this offering. In addition, we may choose to raise additional capital because of market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans. If we raise additional capital through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.
Selected financial data

You should read the following selected financial data together with our financial statements and the related notes appearing at the end of this prospectus and the “Management’s discussion and analysis of financial condition and results of operations” section of this prospectus. We have derived the statement of operations data for the years ended December 31, 2016 and 2017 and the balance sheet data as of December 31, 2016 and 2017 from our audited financial statements appearing at the end of this prospectus. The statement of operations data for the three months ended March 31, 2017 and 2018 and the balance sheet data as of March 31, 2018 have been derived from our unaudited financial statements appearing elsewhere in this prospectus and have been prepared on the same basis as the audited financial statements. In the opinion of management, the unaudited data reflects all adjustments, consisting only of normal, recurring adjustments, necessary for a fair statement of the financial information in those statements. Our historical results are not necessarily indicative of the results that may be expected in the future, and our interim results are not necessarily indicative of results to be expected for a full fiscal year or any other interim period.

<table>
<thead>
<tr>
<th>(in thousands, except per share data)</th>
<th>Year ended December 31, 2016</th>
<th>Year ended December 31, 2017</th>
<th>Three months ended March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Statement of Operations Data:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and development</td>
<td>27,881</td>
<td>32,617</td>
<td>6,852</td>
</tr>
<tr>
<td>General and administrative</td>
<td>5,777</td>
<td>6,471</td>
<td>1,165</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>33,658</td>
<td>39,088</td>
<td>8,017</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>(33,658)</td>
<td>(39,088)</td>
<td>(8,017)</td>
</tr>
<tr>
<td>Other income (expense):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>53</td>
<td>169</td>
<td>34</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(1,345)</td>
<td>(901)</td>
<td>(298)</td>
</tr>
<tr>
<td>Change in fair value of preferred stock tranche liability</td>
<td>417</td>
<td>4,443</td>
<td>2,610</td>
</tr>
<tr>
<td>Total other income (expense), net</td>
<td>(875)</td>
<td>3,711</td>
<td>2,346</td>
</tr>
<tr>
<td>Net loss</td>
<td>(34,533)</td>
<td>(35,377)</td>
<td>(5,671)</td>
</tr>
<tr>
<td>Cumulative dividends on convertible preferred stock</td>
<td>(14,932)</td>
<td>(18,390)</td>
<td>(4,197)</td>
</tr>
<tr>
<td>Net loss attributable to common stockholders</td>
<td>$ (49,465)</td>
<td>$ (53,767)</td>
<td>$ (9,868)</td>
</tr>
<tr>
<td>Net loss per share attributable to common stockholders, basic and diluted(1)</td>
<td>$ (4.83)</td>
<td>$ (5.10)</td>
<td>$ (0.95)</td>
</tr>
<tr>
<td>Weighted average common shares outstanding, basic and diluted(1)</td>
<td>10,238</td>
<td>10,552</td>
<td>10,436</td>
</tr>
<tr>
<td>Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)(1)</td>
<td>$ (0.31)</td>
<td></td>
<td>$ (0.08)</td>
</tr>
<tr>
<td>Pro forma weighted average common shares outstanding, basic and diluted (unaudited)(1)</td>
<td>128,693</td>
<td></td>
<td>143,518</td>
</tr>
</tbody>
</table>

(1) See Note 14 to our financial statements appearing at the end of this prospectus for details on the calculation of basic and diluted net loss per share attributable to common stockholders and unaudited basic and diluted pro forma net loss per share attributable to common stockholders.
<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>As of December 31, 2016</th>
<th>As of March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance Sheet Data:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 36,920</td>
<td>$ 16,404</td>
</tr>
<tr>
<td>Working capital(1)</td>
<td>25,385</td>
<td>6,591</td>
</tr>
<tr>
<td>Total assets</td>
<td>38,704</td>
<td>19,103</td>
</tr>
<tr>
<td>Long-term debt, net of discount, including current portion</td>
<td>10,642</td>
<td>4,103</td>
</tr>
<tr>
<td>Preferred stock tranche liability</td>
<td>4,443</td>
<td>—</td>
</tr>
<tr>
<td>Preferred stock warrant liability</td>
<td>226</td>
<td>254</td>
</tr>
<tr>
<td>Convertible preferred stock</td>
<td>148,997</td>
<td>173,228</td>
</tr>
<tr>
<td>Total stockholders’ deficit</td>
<td>(131,671)</td>
<td>(165,833)</td>
</tr>
</tbody>
</table>

(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 “Selected financial data” section of this prospectus and our financial statements and related notes appearing at the end of this prospectus. Some of the information contained in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the “Risk factors” section of this prospectus, 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 using our expertise in epigenetics to discover and develop novel therapeutics that address serious unmet medical needs in patients with cancers associated with abnormal gene expression or drug resistance. Our integrated epigenetics platform enables us to validate targets and generate small molecules against these targets that selectively modulate gene expression in tumor and immune cells to drive anti-tumor activity. Platform insights and clinical experience guide development of our wholly owned lead product candidates: CPI-1205 which inhibits enhancer of zeste homolog 2, or EZH2, and CPI-0610 which inhibits bromodomain and extra terminal domain, or BET, proteins. We believe that our approach to targeting these central gene regulatory mechanisms associated with cancer proliferation may enable us to provide therapeutic benefits to cancer patients. We have observed clinical activity in the first few patients treated with each of CPI-1205 in a Phase 1b/2 trial in patients with metastatic castration-resistant prostate cancer, or mCRPC, and CPI-0610 in a Phase 2 trial in patients with myelofibrosis, or MF. We believe that we are well-positioned to determine proof of concept with each of our lead product candidates in mid-2019 and, if successful, to advance them into pivotal clinical trials in these indications.

To date, we have financed our operations primarily through sales of our preferred stock, payments received in connection with our collaboration and research agreements and borrowings under loan agreements. Through March 31, 2018, we have received gross proceeds of $247.3 million from sales of our preferred stock, $103.9 million from collaboration and research agreements and $18.0 million from borrowings under our loan agreements, of which we had repaid $15.6 million through March 31, 2018. In April 2018, we issued and sold an aggregate of 31,250,000 additional shares of Series F preferred stock for gross proceeds of $31.3 million. Since our inception, we have incurred significant operating losses. Our ability to generate product revenue sufficient to achieve profitability, if ever, will depend heavily on the successful development and eventual commercialization of one or more of our product candidates. For the years ended December 31, 2016 and 2017, we reported net losses of $34.5 million and $35.4 million, respectively, and for the three months ended March 31, 2018, we reported a net loss of $12.1 million. As of March 31, 2018, we had an accumulated deficit of $186.0 million. We expect to continue to incur significant expenses and increasing operating losses for at least the next several years. We expect that our expenses and capital requirements will increase substantially in connection with our ongoing activities, particularly if and as we:

- continue our Phase 1b/2 clinical trials of CPI-1205, which we refer to as the ProSTAR and ORIOin-E trials, and our Phase 2 clinical trial of CPI-0610;
- complete IND-enabling studies and prepare for a planned Phase 1 clinical trial of CPI-0209, our second-generation EZH2 inhibitor;
- continue the research and development of our other product candidates;
• seek to discover and develop additional product candidates;
• seek regulatory approvals for any product candidates that successfully complete clinical trials;
• ultimately establish a sales, marketing and distribution infrastructure to commercialize any products for which we may obtain regulatory approval;
• scale up our manufacturing processes and capabilities, or arrange for a third party to do so on our behalf, to support our clinical trials of our product candidates and commercialization of any of our product candidates for which we obtain marketing approval;
• acquire or in-license products, product candidates or technologies;
• maintain, expand, enforce, defend and protect our intellectual property portfolio;
• hire additional clinical, quality control and scientific personnel; and
• add operational, financial and management information systems and personnel, including personnel to support our product development and planned future commercialization efforts and our operations as a public company.

We will not generate revenue from product sales unless and until we successfully complete clinical development and obtain regulatory approval for our product candidates. If we obtain regulatory approval for any of our product candidates, we expect to incur significant expenses related to developing our commercialization capability to support product sales, marketing and distribution. Further, following the completion of this offering, we expect to incur additional costs associated with operating as a public company.

As a result, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through a combination of equity offerings, debt financings, collaborations, strategic alliances and marketing, distribution or licensing arrangements. 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 fail to raise capital or enter into such agreements as, and when, needed, we may have to significantly delay, scale back or discontinue the development and commercialization of one or more of our product candidates.

Because of the numerous risks and uncertainties associated with pharmaceutical product development, we are unable to accurately 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 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.

As of March 31, 2018, we had cash and cash equivalents of $71.5 million. We believe that the net proceeds from this offering, together with our cash and cash equivalents as of March 31, 2018 and the net proceeds from the issuance and sale of additional shares of Series F preferred stock in April 2018 of $31.3 million, will enable us to fund our operating expenses, capital expenditure requirements and debt service payments through . See “—Liquidity and capital resources.”

Components of our results of operations

Revenue

To date, we have not generated any revenue from product sales and do not expect to generate any revenue from the sale of products in the foreseeable future. If our development efforts for our product candidates are
successful and result in regulatory approval, we may generate revenue in the future from product sales. We have entered into, and we
may in the future enter into, license or collaboration agreements for our product candidates or intellectual property, and we may generate
revenue in the future from payments as a result of such license or collaboration agreements. To date, all of our revenue has been derived
from one collaboration arrangement. We cannot predict if, when, or to what extent we will generate revenue from the commercialization
and sale of our product candidates. We may never succeed in obtaining regulatory approval for any of our product candidates.

To date, our revenue has been derived from our license and collaboration arrangement with Genentech, Inc. and F. Hoffmann-La Roche
Ltd., collectively referred to as Genentech, under which we licensed certain technology to Genentech and performed certain specified
services. We completed our performance obligations under the collaboration arrangement in 2015 and we have not recognized revenue
from Genentech in either of the years ending December 31, 2016 or 2017 or the three months ended March 31, 2017 or 2018. We are
entitled to future milestone and royalty payments from Genentech if Genentech pursues further development of the technology licensed
from us under the collaboration arrangement and if Genentech achieves specified development and sales-based milestones relating to
such licensed technology. We cannot provide assurance as to the timing of milestone or royalty payments or if we will ever receive such
payments from Genentech.

Operating expenses

Research and development expenses

Research and development expenses consist primarily of costs incurred for our research activities, including our drug discovery efforts,
and the development of our product candidates, which include:

- employee-related expenses, including salaries, related benefits and stock-based compensation expense for employees engaged in
  research and development functions;
- expenses incurred in connection with the preclinical and clinical development of our product candidates and research programs,
  including under agreements with third parties, such as consultants and contractors and contract research organizations, or CROs;
- the cost of developing and scaling our manufacturing process and manufacturing drug products for use in our preclinical studies and
  clinical trials, including under agreements with third parties, such as consultants and contractors and contract manufacturing
  organizations, or CMOs;
- laboratory supplies and research materials;
- facilities, depreciation and other expenses, which include direct and allocated expenses for rent and maintenance of facilities and
  insurance; and
- payments made under third-party licensing agreements.

In July 2012, we entered into a Research, Development and Commercialization Agreement, or the LLS Agreement, with the Leukemia &
Lymphoma Society, or LLS, pursuant to which LLS committed to provide funding to us for research and development services, conditional
on (i) the achievement of milestones in accordance with the LLS Agreement and (ii) equal funding being provided by us. We recognize the
nonrefundable payments received under the LLS Agreement as a reduction to the research and development expenses incurred, based
on a proportional methodology comparing the total expenses incurred in the period under the project to the total expenses expected to be
incurred under the project. During the years ended December 31, 2016 and 2017, funding by LLS of research and development expenses
of $0.3 million and $0.6 million, respectively, were recorded as a reduction of our research and development expenses. No funding was
received from LLS during the three months ended March 31, 2017 or 2018.
We expense research and development costs as incurred. Advance payments that we make for goods or services to be received in the future for use in research and development activities are recorded as prepaid expenses. The prepaid amounts are expensed as the related goods are delivered or the services are performed.

Our direct external research and development expenses are tracked on a program-by-program basis and consist of costs that include fees, reimbursed materials and other costs paid to consultants, contractors, CMOs and CROs in connection with our preclinical, clinical development and manufacturing activities. We do not allocate employee costs, costs associated with our discovery efforts, laboratory supplies and facilities expenses, including depreciation or other indirect costs, to specific product development programs because these costs are deployed across multiple programs and our platform technology and, as such, are not separately classified.

Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect that our research and development expenses will increase substantially in connection with our planned clinical and preclinical development activities in the near term and in the future as our current development programs progress and new programs are added. At this time, we cannot accurately estimate or know the nature, timing and costs of the efforts that will be necessary to complete the preclinical and clinical development of any of our product candidates. The successful development and commercialization of our product candidates is highly uncertain. This is due to the numerous risks and uncertainties associated with product development and commercialization, including the following:

- the timing and progress of preclinical and clinical development activities;
- the number and scope of preclinical and clinical programs we decide to pursue;
- our ability to raise additional funds necessary to complete clinical development of and commercialize our product candidates;
- the progress of the development efforts of parties with whom we may enter into collaboration arrangements;
- our ability to maintain our current research and development programs and to establish new ones;
- our ability to establish new licensing or collaboration arrangements;
- the successful initiation and completion of clinical trials with safety, tolerability and efficacy profiles that are satisfactory to the U.S. Food and Drug Administration, or FDA, or any comparable foreign regulatory authority;
- the receipt and related terms of regulatory approvals from applicable regulatory authorities;
- the availability of raw materials for use in production of our product candidates;
- our ability to consistently manufacture our product candidates for use in clinical trials;
- our ability to establish and operate a manufacturing facility, or secure manufacturing supply through relationships with third parties;
- our ability to obtain and maintain intellectual property protection and regulatory exclusivity, both in the United States and internationally;
- our ability to maintain, enforce, defend and protect our rights in our intellectual property portfolio;
- the commercialization of our product candidates, if and when approved;
- our ability to obtain and maintain third-party coverage and adequate reimbursement;
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- the acceptance of our product candidates, if approved, by patients, the medical community and third-party payors;
- competition with other products; and
- a continued acceptable safety profile of our therapies following approval.

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 may never succeed in obtaining regulatory approval for any of our product candidates.

General and administrative expenses

General and administrative expenses consist primarily of salaries and related costs, including stock-based compensation, for personnel in executive, finance and administrative functions. General and administrative expenses also include direct and allocated facility-related costs as well as professional fees for legal, patent, consulting, investor and public relations, accounting and audit services. We anticipate that our general and administrative expenses will increase in the future as we increase our headcount to support our continued research activities and development of our product candidates. We also anticipate that we will incur increased accounting, audit, legal, regulatory, compliance and director and officer insurance costs as well as investor and public relations expenses associated with operating as a public company.

Other income (expense)

Interest income

Interest income consists of interest earned on our invested cash balances. We expect our interest income to increase as we invest the cash received from the sale of Series F preferred stock in March and April 2018 and the net proceeds from this offering.

Interest expense

Interest expense consists of interest expense on outstanding borrowings under our loan agreements as well as amortization of debt discount and debt issuance costs. Interest expense also consists of the change in the fair value of our preferred stock warrants. In connection with our loan and security agreement with Oxford and Silicon Valley Bank, we issued warrants to purchase Series B preferred stock. We classify these warrants as a liability on our balance sheet that we remeasure to fair value at each reporting date, and we recognize changes in the fair value of the warrant liability as interest expense in our statements of operations and comprehensive loss. We will continue to recognize changes in the fair value of the warrant liability until the warrants are exercised, expire or qualify for equity classification.

Upon the closing of this offering, the preferred stock warrants will become exercisable for common stock instead of preferred stock, and the fair value of the warrant liability at that time will be reclassified to additional paid-in capital. As a result, subsequent to the completion of this offering, we will no longer remeasure the fair value of the warrant liability at each reporting date.

Change in fair value of preferred stock tranche liability

The Series E-1 preferred stock purchase agreement entered into in September 2016 provided the investors with the right to participate in a subsequent closing of Series E-1 preferred stock upon the earlier of one year from the issuance date or the achievement of a strategic event as determined by our board of directors. We refer to
this right as the Series E-1 Tranche Right. The Series E-1 Tranche Right was classified as a liability and initially recorded at fair value. The liability was subject to revaluation at each balance sheet date prior to the exercise or expiration of the Series E-1 Tranche Right. The change in fair value of our preferred stock tranche liability consists of the re-measurement gains or losses associated with changes in the fair value of the Series E-1 Tranche Right. Upon issuance of the additional shares of Series E-1 preferred stock in July 2017, the Series E-1 Tranche Right was settled. As a result, we will no longer measure the fair value of the Series E-1 Tranche Right at each balance sheet date.

Income taxes
Since our inception, we have not recorded any income tax benefits for the net losses we have incurred in each year or for our research and development tax credits, as we believe, based upon the weight of available evidence, that it is more likely than not that all of our net operating loss carryforwards and tax credits will not be realized. As of December 31, 2017, we had U.S. federal and state net operating loss carryforwards of $168.9 million and $166.6 million, respectively, which may be available to offset future income tax liabilities and begin to expire in 2028. As of December 31, 2017, we also had U.S. federal and state research and development tax credit carryforwards of $6.8 million and $2.9 million, respectively, which begin to expire in 2028 and 2025, respectively. We have recorded a full valuation allowance against our net deferred tax assets at each balance sheet date.

On December 22, 2017, the Tax Cuts and Jobs Act, or the TCJA, was signed into United States law. The TCJA includes a number of changes to existing tax law, including, among other things, a permanent reduction in the federal corporate income tax rate from a top marginal tax rate of 35% to a flat rate of 21%, effective as of January 1, 2018, as well as limitation of the deduction for net operating losses to 80% of current year taxable income and elimination of net operating loss carrybacks, in each case, for losses arising in taxable years beginning after December 31, 2017 (though any such net operating losses may be carried forward indefinitely). The federal tax rate change resulted in a reduction in the gross amount of our deferred tax assets as of December 31, 2017, and a corresponding reduction in our valuation allowance. As a result, no income tax expense or benefit was recognized as of the enactment date of the TCJA.
Results of operations

Comparison of the three months ended March 31, 2017 and 2018

The following table summarizes our results of operations for the three months ended March 31, 2017 and 2018:

| (in thousands) | Three months ended March 31, |
|               | 2017 | 2018 | Change |
| Revenue       | $ —  | $ —  | $ —     |
| Operating expenses: | | | |
| Research and development | 6,852 | 9,874 | 3,022 |
| General and administrative | 1,165 | 2,303 | 1,138 |
| Total operating expenses | 8,017 | 12,177 | 4,160 |
| Loss from operations | (8,017) | (12,177) | (4,160) |
| Other income (expense): | | | |
| Interest income | 34 | 109 | 75 |
| Interest expense | (298) | (34) | 264 |
| Change in preferred stock tranche liability | 2,610 | — | (2,610) |
| Total other income (expense), net | 2,346 | 75 | (2,271) |
| Net loss | $ (5,671) | $ (12,102) | $ (6,431) |

Research and development expenses

| (in thousands) | Three months ended March 31, |
|               | 2017 | 2018 | Change |
| Direct research and development expenses by program: | | | |
| CPI-1205 | $ 756 | $ 2,892 | $ 2,136 |
| CPI-0610 | 684 | 826 | 142 |
| CPI-0209 | 338 | 635 | 297 |
| Preclinical pipeline | 941 | 507 | (434) |
| Unallocated expenses: | | | |
| Personnel related (including stock-based compensation) | 2,456 | 3,144 | 688 |
| Laboratory supplies and consumables | 622 | 670 | 48 |
| Facility related and other | 1,055 | 1,200 | 145 |
| Total research and development expenses | $ 6,852 | $ 9,874 | $ 3,022 |

Research and development expenses were $6.9 million for the three months ended March 31, 2017 compared to $9.9 million for the three months ended March 31, 2018. The increase in costs related to our CPI-1205 program was primarily due to our ProSTAR trial, which we initiated in the fourth quarter of 2017, and our ORIOn-E trial, which we initiated in the first quarter of 2018. The increase in costs related to our second-generation EZH2 inhibitor CPI-0209 program in the first quarter of 2018 was primarily due to preparation for IND-enabling studies. The decrease in preclinical pipeline expenses was primarily due to the stage of development of our current pipeline candidates.
The increase in personnel related costs was primarily due to an increase in headcount in our research and development function. The increase in facility related and other expenses was primarily due to increased depreciation expense from equipment and software purchased in 2017.

**General and administrative expenses**

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>Three months ended March 31,</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>Personnel related (including stock-based compensation)</td>
<td>$512</td>
<td>$1,210</td>
</tr>
<tr>
<td>Professional and consultant fees</td>
<td>274</td>
<td>610</td>
</tr>
<tr>
<td>Facility related and other</td>
<td>379</td>
<td>483</td>
</tr>
<tr>
<td>Total general and administrative expenses</td>
<td>$1,165</td>
<td>$2,303</td>
</tr>
</tbody>
</table>

General and administrative expenses for the three months ended March 31, 2017 were $1.2 million, compared to $2.3 million for the three months ended March 31, 2018. The increase in personnel related costs was primarily due to increased headcount. Personnel-related costs for the three months ended March 31, 2017 and 2018 included stock-based compensation expense of less than $0.1 million and $0.4 million, respectively. Professional and consultant fees, including those related to investor and public relations, legal fees and ongoing business activities, increased in preparation of becoming a public company.

**Other income (expense)**

*Interest income*

Interest income was less than $0.1 million for the three months ended March 31, 2017, compared to $0.1 million for the three months ended March 31, 2018.

*Interest expense*

Interest expense was $0.3 million for the three months ended March 31, 2017, compared to less than $0.1 million for the three months ended March 31, 2018. The decrease in interest expense was due to the lower outstanding balance of debt as a result of repayment of principal balance.

*Change in fair value of preferred stock tranche liability*

The change in the fair value of our preferred stock tranche liability resulted in income of $2.6 million for the three months ended March 31, 2017 resulting from the decrease in fair value of the Series E-1 Tranche Right (liability).
Comparison of the years ended December 31, 2016 and 2017

The following table summarizes our results of operations for the years ended December 31, 2016 and 2017:

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>Year ended December 31,</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>Revenue</td>
<td>$—</td>
<td>$—</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and development</td>
<td>27,881</td>
<td>32,617</td>
</tr>
<tr>
<td>General and administrative</td>
<td>5,777</td>
<td>6,471</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>33,658</td>
<td>39,088</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>(33,658)</td>
<td>(39,088)</td>
</tr>
<tr>
<td>Other income (expense):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>53</td>
<td>169</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(1,345)</td>
<td>(901)</td>
</tr>
<tr>
<td>Change in preferred stock tranche liability</td>
<td>417</td>
<td>4,443</td>
</tr>
<tr>
<td>Total other income (expense), net</td>
<td>(875)</td>
<td>3,711</td>
</tr>
<tr>
<td>Net loss</td>
<td>$ (34,533)</td>
<td>$ (35,377)</td>
</tr>
</tbody>
</table>

Research and development expenses

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>Year ended December 31,</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>Direct research and development expenses by program:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CPI-1205</td>
<td>$4,296</td>
<td>$5,339</td>
</tr>
<tr>
<td>CPI-0610</td>
<td>4,532</td>
<td>3,154</td>
</tr>
<tr>
<td>CPI-0209</td>
<td>—</td>
<td>1,927</td>
</tr>
<tr>
<td>Preclinical pipeline</td>
<td>4,434</td>
<td>3,919</td>
</tr>
<tr>
<td>Unallocated expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel related (including stock-based compensation)</td>
<td>9,178</td>
<td>10,852</td>
</tr>
<tr>
<td>Laboratory supplies and consumables</td>
<td>2,101</td>
<td>2,584</td>
</tr>
<tr>
<td>Facility related and other</td>
<td>3,340</td>
<td>4,842</td>
</tr>
<tr>
<td>Total research and development expenses</td>
<td>$27,881</td>
<td>$32,617</td>
</tr>
</tbody>
</table>

Research and development expenses were $27.9 million for the year ended December 31, 2016 compared to $32.6 million for the year ended December 31, 2017. The increase in costs related to our CPI-1205 program was primarily due to preparation for and commencement of our ProSTAR trial, which we initiated in the fourth quarter of 2017 and preparation for our ORION-E trial, which we initiated in the first quarter of 2018. The decrease in costs related to our CPI-0610 program was primarily due to having only one ongoing Phase 2 clinical trial for CPI-0610 in 2017 as compared to three ongoing Phase 1 clinical trials for CPI-0610 in 2016. Costs related to our second-generation EZH2 inhibitor CPI-0209 program in 2017 primarily related to lead optimization of this molecule. The decrease in preclinical pipeline expenses was primarily due to decreased costs for programs that we did not choose to progress in 2017.

The increase in personnel related costs was primarily due to an increase in headcount in our research and development function. The increase in laboratory supplies and consumables was primarily due to increased...
research and discovery efforts. The increase in facility related and other expenses was primarily due to increased rent from our lease extension that we entered into in September 2016 and increased depreciation expense from equipment and software purchased in 2017.

General and administrative expenses

| (in thousands)                          | Year ended December 31, |
|                                      | 2016      | 2017      | Change |
| Person related (including stock-based compensation) | $ 3,050   | $ 2,875   | $(175) |
| Professional and consultant fees      | 1,362     | 1,969     | 607    |
| Facility related and other            | 1,365     | 1,627     | 262    |
| Total general and administrative expenses | $ 5,777   | $ 6,471   | $ 694  |

General and administrative expenses for the year ended December 31, 2016 were $5.8 million, compared to $6.5 million for the year ended December 31, 2017. The increase in general and administrative expenses was primarily due to an increase in professional and consultant fees, including those related to investor and public relations, business development and ongoing business activities. We also incurred increased legal fees for maintaining and enforcing our intellectual property rights and for ongoing business activities. Facility related and other expenses increased primarily due to increased rent from our lease extension that we entered into in September 2016 and product support costs for software and hardware purchased during 2017.

Other income (expense)

Interest income
Interest income was $0.1 million for the year ended December 31, 2016, compared to $0.2 million for the year ended December 31, 2017. The increase in interest income was primarily due to higher interest rates in 2017 as compared to 2016.

Interest expense
Interest expense was $1.3 million for the year ended December 31, 2016, compared to $0.9 million for the year ended December 31, 2017. The decrease in interest expense was due to the lower outstanding balance of debt as a result of repayment of principal balance.

Change in fair value of preferred stock tranche liability
The change in the fair value of our preferred stock tranche liability resulted in income of $0.4 million for the year ended December 31, 2016, compared to income of $4.4 million for the year ended December 31, 2017. The increase in income was a result of the decrease in fair value of the Series E-1 Tranche Right (liability) as a result of its settlement in July 2017.

Liquidity and capital resources
Since our inception, we have incurred significant operating losses. To date, we have financed our operations primarily through sales of our preferred stock, payments received in connection with our collaboration and research agreements and borrowings under loan agreements. Through March 31, 2018, we have received gross proceeds of $247.3 million from sales of our preferred stock, $103.9 million from collaboration and research agreements and $18.0 million from borrowings under our loan agreements, of which we had repaid
$15.6 million through March 31, 2018. As of March 31, 2018, we had cash and cash equivalents of $71.5 million. No amounts remained available for borrowing under our loan and security agreement. In April 2018, we issued and sold an aggregate of 31,250,000 additional shares of Series F preferred stock for gross proceeds of $31.3 million.

**Cash flows**

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

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>Year ended December 31, 2016</th>
<th>Year ended December 31, 2017</th>
<th>Three months ended March 31, 2017</th>
<th>Three months ended March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash used in operating activities</td>
<td>$ (32,775)</td>
<td>$ (37,586)</td>
<td>$ (11,395)</td>
<td>$ (11,779)</td>
</tr>
<tr>
<td>Cash used in investing activities</td>
<td>(945)</td>
<td>(582)</td>
<td>(293)</td>
<td>(21)</td>
</tr>
<tr>
<td>Cash provided by (used in) financing activities</td>
<td>19,105</td>
<td>17,652</td>
<td>(1,562)</td>
<td>66,898</td>
</tr>
<tr>
<td>Net increase (decrease) in cash, cash equivalents and restricted cash</td>
<td>$ (14,615)</td>
<td>$ (20,516)</td>
<td>$ (13,250)</td>
<td>$ 55,098</td>
</tr>
</tbody>
</table>

**Operating activities**

During the three months ended March 31, 2018, operating activities used $11.8 million of cash, primarily resulting from our net loss of $12.1 million and net cash used by changes in our operating assets and liabilities of $0.4 million, partially offset by net non-cash expense of $0.7 million. Net cash used by changes in our operating assets and liabilities for the three months ended March 31, 2018 consisted primarily of a $0.6 million increase in prepaid expenses and other current assets, partially offset by a $0.2 million increase in accounts payable and accrued expenses and other current liabilities.

During the three months ended March 31, 2017, operating activities used $11.4 million of cash, primarily resulting from our net loss of $5.7 million, net non-cash income of $2.3 million and net cash used by changes in our operating assets and liabilities of $3.4 million. Net cash used by changes in our operating assets and liabilities for the three months ended March 31, 2017 consisted primarily of a $2.1 million decrease in accounts payable and accrued expenses and other current liabilities and a $1.5 million increase in prepaid expenses and other current assets.

During the year ended December 31, 2017, operating activities used $37.6 million of cash, primarily resulting from our net loss of $35.4 million and net non-cash income of $2.5 million, partially offset by net 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 for the year ended December 31, 2017 consisted primarily of a $1.0 million increase in accounts payable and accrued expenses and other current liabilities, partially offset by a $0.8 million increase in prepaid expenses and other current assets.

During the year ended December 31, 2016, operating activities used $32.8 million of cash, primarily resulting from our net loss of $34.5 million, partially offset by net non-cash charges of $1.2 million and net cash provided by changes in our operating assets and liabilities of $0.6 million. Net cash provided by changes in our operating assets and liabilities for the year ended December 31, 2016 consisted primarily of a $0.7 million increase in accounts payable and accrued expenses and other current liabilities, partially offset by a $0.3 million increase in prepaid expenses and other current assets.

Changes in accounts payable, accrued expenses and other current liabilities and prepaid expenses in all periods were generally due to growth in our business, the advancement of our research programs and the timing of vendor invoicing and payments.
Investing activities

During the three months ended March 31, 2018 and 2017, net cash used in investing activities was less than $0.1 million and $0.3 million, respectively, due to purchases of property and equipment. The purchases of property and equipment during the three months ended March 31, 2018 related to equipment and software purchases as we expanded our discovery activities.

During the years ended December 31, 2017 and 2016, net cash used in investing activities was $0.6 million and $0.9 million, respectively, due to purchases of property and equipment. The purchases of property and equipment during the year ended December 31, 2017 related to equipment and software purchases as we expanded our discovery activities.

Financing activities

During the three months ended March 31, 2018, net cash provided by financing activities was $66.9 million, consisting primarily of net proceeds from the issuance of Series F preferred stock of $68.4 million, partially offset by payments of $1.7 million on long-term debt under our loan and security agreement.

During the three months ended March 31, 2017, net cash used in financing activities was $1.6 million, consisting primarily of payments of $1.6 million on long-term debt under our loan and security agreement.

During the year ended December 31, 2017, net cash provided by financing activities was $17.7 million, consisting primarily of proceeds from the issuance of preferred stock of $24.2 million, partially offset by payments of $6.6 million on long-term debt under our loan and security agreement.

During the year ended December 31, 2016, net cash provided by financing activities was $19.1 million, consisting primarily of net proceeds from the issuance of preferred stock of $24.2 million, partially offset by payments of $3.0 million on long-term debt under our loan and security agreement and repayment of a $1.2 million liability to Genentech.

Loan and security agreement

We previously had outstanding amounts due under a 2013 loan and security agreement, or the 2013 Loan Agreement, with Oxford Finance LLC and Silicon Valley Bank. In April 2016, we entered into a new loan and security agreement, or the 2016 Loan Agreement, with the same lenders. Under the 2016 Loan Agreement, the amount outstanding under the 2013 Loan Agreement of $10.8 million, the portion of the final payment under the 2013 Loan Agreement then due of $0.9 million and issuance costs due to the lenders were paid to the lenders with proceeds from the 2016 Loan Agreement and payment terms of the new principal balance of $11.8 million were extended through July 2018. Borrowings under the 2016 Loan Agreement bear interest at an annual rate of 7.6%, and are being repaid in equal monthly payments of principal and accrued interest through the maturity date of July 1, 2018. In addition, a final payment equal to 5% of the original principal amount is due upon the final principal payment.

Borrowings under the 2016 Loan Agreement are collateralized by substantially all of our personal property, other than our intellectual property, and by a negative pledge on intellectual property. There are no financial covenants associated with the 2016 Loan Agreement; however, we are subject to certain negative covenants to which we will remain subject until maturity. These covenants include limitations on dispositions, mergers or acquisitions, incurring indebtedness or liens, paying dividends or making investments and certain other business transactions. Obligations under the 2016 Loan Agreement are subject to acceleration upon the occurrence of specified events of default, including a material adverse change in our business, operations or financial or other condition.
**Funding requirements**

We expect our expenses to increase substantially in connection with our ongoing activities, particularly as we advance the preclinical activities and clinical trials for our product candidates in development. In addition, upon the closing of this offering, we expect to incur additional costs associated with operating as a public company. The timing and amount of our operating expenditures will depend largely on:

- the timing and progress of preclinical and clinical development activities;
- the commencement, enrollment or results of the planned clinical trials of our product candidates or any future clinical trials we may conduct, or changes in the development status of our product candidates;
- the timing and outcome of regulatory review of our product candidates;
- our decision to initiate a clinical trial, not to initiate a clinical trial or to terminate an existing clinical trial;
- changes in laws or regulations applicable to our product candidates, including but not limited to clinical trial requirements for approvals;
- developments concerning our contract manufacturers;
- our ability to obtain materials to produce adequate product supply for any approved product or inability to do so at acceptable prices;
- our ability to establish additional collaborations if needed;
- the costs and timing of future commercialization activities, including product manufacturing, marketing, sales and distribution, for any of our product candidates for which we obtain marketing approval;
- the legal patent costs involved in preparing, filing and prosecuting patent applications and maintaining, defending and enforcing patent claims and other intellectual property claims;
- additions or departures of key scientific or management personnel;
- unanticipated serious safety concerns related to the use of our product candidates; and
- the terms and timing of any collaboration, license or other arrangement, including the terms and timing of any milestone payments thereunder.

As of March 31, 2018, we had cash and cash equivalents of $71.5 million. We believe that the net proceeds from this offering, together with our cash and cash equivalents as of March 31, 2018 and the net proceeds from the shares of Series F preferred stock sold in April 2018, will enable us to fund our operating expenses, capital expenditure requirements and debt service payments through . 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.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our operations through a combination of equity offerings, debt financings, collaborations, strategic alliances and marketing, distribution or licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making acquisitions or capital expenditures or declaring dividends. If we raise additional funds through collaborations, strategic
alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our
technologies, future revenue streams, research programs or drug candidates, or grant licenses on terms that may not be favorable to us. If
we are unable to raise additional funds through equity or debt financings or other arrangements when needed, we may be required to
delay, limit, reduce or terminate our research, product development or future commercialization efforts, or grant rights to develop and
market drug candidates that we would otherwise prefer to develop and market ourselves.

Contractual obligations and commitments

The following table summarizes our contractual obligations as of December 31, 2017 and the effects that such obligations are expected to
have on our liquidity and cash flows in future periods:

<table>
<thead>
<tr>
<th>Payments due by period</th>
<th>Total</th>
<th>Less than 1 year</th>
<th>1 to 3 years</th>
<th>3 to 5 years</th>
<th>More than 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lease commitment(1)</td>
<td>$6,114</td>
<td>$2,395</td>
<td>$3,719</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Debt obligations(2)</td>
<td>4,803</td>
<td>4,803</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>$10,917</td>
<td>$7,198</td>
<td>$3,719</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

(1) Amounts in table reflects payments due for our lease of office and laboratory space in Cambridge, Massachusetts under an operating lease agreement that expires in June 2020.

(2) Amounts in table reflect the contractually required principal, interest and the final payment due under our 2016 Loan Agreement as of December 31, 2017.

We enter into contracts in the normal course of business with CROs, CMOs and other third parties for clinical trials, preclinical research
studies and testing and manufacturing services. These contracts do not contain minimum purchase commitments and are cancelable by
us upon prior written notice. Payments due upon cancellation consist only of payments for services provided or expenses incurred,
including noncancelable obligations of our service providers, up to the date of cancellation. These payments are not included in the
preceding table as the amount and timing of such payments are not known.

The LLS Agreement requires us to make certain milestone payments to LLS, that could total up to $25.0 million in aggregate, upon our
receipt of payments associated with the licensing or transfer of rights to the related compound (or a product) to a third party, upon first
regulatory approval of a product in the U.S., or upon the first regulatory approval of a product in Europe or Japan. We have not included
future payments under this agreement in the table of contractual obligations above since these obligations are contingent upon future
events. As of December 31, 2017 and March 31, 2018, we were unable to estimate the timing or likelihood of achieving these milestones.

We have also entered into license agreements with third parties, which are in the normal course of business. We have not included future
payments under these agreements in the table of contractual obligations above since obligations under these agreements are contingent
upon future events such as our achievement of specified development, regulatory and commercial milestones, or royalties on net product
sales. As of December 31, 2017 and March 31, 2018, we were unable to estimate the timing or likelihood of achieving these milestones or
generating future product sales.

Critical accounting policies and significant judgments and estimates

Our financial statements are prepared in accordance with generally accepted accounting principles in the United States, or GAAP. The
preparation of our financial statements and related disclosures requires us to make estimates and judgments that affect the reported
amounts of assets, liabilities, revenue, 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.

While our significant accounting policies are described in more detail in Note 2 to our financial statements appearing at the end of 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
expenses. This process involves reviewing open contracts and purchase orders, communicating with our applicable personnel to identify
services that have been performed on our behalf and estimating the level of service performed and the associated cost incurred for the
service when we have not yet been invoiced or otherwise notified of 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 advance
payments. We make estimates of our accrued expenses as of each balance sheet date in the financial statements based on facts and
circumstances known to us at that time. We periodically confirm the accuracy of the estimates with the service providers and make
adjustments if necessary. Examples of estimated accrued research and development expenses include fees paid to:

- vendors in connection with preclinical development activities;
- CMOs in connection with the process development and scale up activities and the production of preclinical and clinical trial materials;
- and
- CROs in connection with clinical trials.

We base the expense recorded related to contract research and manufacturing on our estimates of the services received and efforts
expended pursuant to quotes and contracts with multiple CMOs and CROs that supply materials and conduct services. The financial terms
of these agreements are subject to negotiation, vary from contract to contract and 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. In
accruing service 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 the estimate, we adjust the accrual or 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
reporting amounts that are too high or too low in any particular period. To date, there have not been any material adjustments to our prior
estimates of accrued research and development expenses.

**Stock-based compensation**

We measure stock-based awards granted to employees and directors based on their fair value on the date of the grant using the Black-
Scholes option-pricing model. Compensation expense for those awards is recognized over the requisite service period, which is generally
the vesting period of the respective award. We use the straight-line method to record the expense of awards with service-based vesting
conditions. We use the graded-vesting method to record the expense of awards with both service-based and performance-based vesting
conditions, commencing when achievement of the performance condition becomes probable. We measure the fair value of stock-based
awards granted to nonemployees on the date at which the related service is complete, which is generally the vesting date of the award.
Prior to the service completion date, compensation expense is recognized over the period during which services are rendered by such
nonemployees. At the end of each financial reporting period prior to the service completion date, the fair value of these awards is
remeasured using the then-current fair value of our common stock and updated assumption inputs in the Black-Scholes option-pricing
model.

The Black-Scholes option-pricing model uses as inputs the fair value of our common stock and assumptions we make for the volatility of
our common stock, the expected term of our common stock options, the risk-free interest rate for a period that approximates the expected
term of our common stock options, and our expected dividend yield.

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. These third-party
valuations were performed in accordance with the guidance outlined in the American Institute of Certified Public Accountants’ Accounting

Our common stock valuations were prepared using a hybrid method which used a market approach to estimate our enterprise value. The
hybrid method is a probability-weighted expected return method, or PWERM, where the equity value in one or more scenarios is
calculated using an option pricing method, or OPM. 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 only if the funds available for distribution to stockholders exceeded
the value of the preferred stock liquidation preferences at the time of the liquidity event, such as a strategic sale or a merger. A discount
for lack of marketability of the common stock is then applied to arrive at an indication of value for the common stock. The PWERM is a
scenario-based methodology that estimates the fair value of common stock 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 weighted
to arrive at an indication of value for the common stock. These third-party valuations were performed at various dates, which resulted in
valuations of our common stock of $0.50 per share as of September 30, 2016, $0.60 per share as of September 30, 2017, $0.69 per share
as of March 1, 2018 and $0.73 per share as of April 5, 2018. 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:

• the prices at which we sold shares of preferred stock and the superior rights and preferences of the preferred stock relative to our
common stock at the time of each grant;

• the progress of our research and development programs, including the status and results of preclinical studies and clinical trials for our
product candidates and progress of our development of manufacturing processes;
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- our stage of development and commercialization and our business strategy;
- external market conditions affecting the biopharmaceutical industry and trends within the biopharmaceutical industry;
- 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 likelihood of achieving a liquidity event, such as an initial public offering, or IPO, or sale of our company in light of prevailing market conditions; and
- the analysis of IPOs and the market performance of similar companies in the biopharmaceutical industry.

The assumptions underlying these valuations represented management’s best estimate, 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.

Once a public trading market for our common stock has been established in connection with the completion of this offering, it will no longer be necessary for our board of directors to estimate the fair value of our common stock in connection with our accounting for granted stock options and other such awards we may grant, as the fair value of our common stock will be determined based on the quoted market price of our common stock.

Awards granted

The following table summarizes by grant date the number of shares subject to options granted between January 1, 2017 and June 22, 2018, the per share exercise price of the options, the fair value of common stock on each grant date, and the per share estimated fair value of the awards:

<table>
<thead>
<tr>
<th>Grant date</th>
<th>Number of shares subject to options granted</th>
<th>Per share exercise price of options</th>
<th>Per share fair value of common stock on grant date</th>
<th>Per share estimated fair value of options on grant date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 2017</td>
<td>2,151,000</td>
<td>$0.50</td>
<td>$0.50</td>
<td>$0.34</td>
</tr>
<tr>
<td>March 2017</td>
<td>10,000</td>
<td>$0.50</td>
<td>$0.50</td>
<td>$0.34</td>
</tr>
<tr>
<td>March 2017 - nonemployee</td>
<td>90,000</td>
<td>$0.50</td>
<td>$0.50</td>
<td>$0.43(2)</td>
</tr>
<tr>
<td>July 2017</td>
<td>8,716,000</td>
<td>$0.50</td>
<td>$0.60(1)</td>
<td>$0.43</td>
</tr>
<tr>
<td>July 2017 - nonemployee</td>
<td>600,000</td>
<td>$0.50</td>
<td>$0.60(1)</td>
<td>$0.43(2)</td>
</tr>
<tr>
<td>August 2017</td>
<td>139,000</td>
<td>$0.50</td>
<td>$0.60(1)</td>
<td>$0.43</td>
</tr>
<tr>
<td>September 2017</td>
<td>1,555,875</td>
<td>$0.50</td>
<td>$0.60(1)</td>
<td>$0.43</td>
</tr>
<tr>
<td>December 2017</td>
<td>1,605,000</td>
<td>$0.60</td>
<td>$0.60</td>
<td>$0.42</td>
</tr>
<tr>
<td>March 2018</td>
<td>5,587,975</td>
<td>$0.69</td>
<td>$0.69</td>
<td>$0.49</td>
</tr>
<tr>
<td>April 2018</td>
<td>5,001,883</td>
<td>$0.73</td>
<td>$0.73</td>
<td>$0.52</td>
</tr>
<tr>
<td>May 2018</td>
<td>40,000</td>
<td>$0.73</td>
<td>$0.73</td>
<td>$0.52</td>
</tr>
</tbody>
</table>

(1) At the time of the option grants in July, August and September 2017, our board of directors determined that the fair value of our common stock calculated in the valuation as of September 30, 2016 reasonably reflected the per share fair value of our common stock as of the grant date. However, as described below, the fair value of common stock at the date of these grants was adjusted in connection with retrospective fair value assessments for accounting purposes.

(2) For purposes of recording stock-based compensation for grants of options to nonemployees, we measure the fair value of the award on the service completion date (vesting date). At the end of each reporting period prior to completion of the services, we remeasure the value of any unvested portion of the award based on the then-current fair value of the award and adjust the expense accordingly. Amounts in this column reflect only the grant-date fair value of awards to nonemployees.

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In preparing for the issuance of our financial statements for the year ended December 31, 2017, we performed a retrospective fair value assessment of our common stock and stock options granted in 2017 and concluded that the fair value of our common stock underlying stock options that we granted in July 2017, August 2017 and September 2017 was $0.60 per share for accounting purposes. We applied the fair values of our common stock from our retrospective fair value assessments to determine the fair value of these awards and calculate stock-based compensation expense for accounting purposes. These reassessed values were based, in part, upon a third-party valuation of our common stock prepared as of September 30, 2017.

Stock option grants in connection with initial public offering

Our board of directors has approved, effective upon the commencement of trading of our common stock on the Nasdaq Stock Market, grants of stock options to purchase an aggregate of 9,369,329 shares of common stock at a purchase price per share equal to the closing price of our common stock on the Nasdaq Stock Market on the date of grant.

Valuation of warrants to purchase preferred stock

We classify warrants to purchase shares of our Series B preferred stock as liabilities on our balance sheets as these warrants are free-standing financial instruments that may require us to transfer assets upon exercise. The warrants were initially recorded at fair value on the date of grant, and they are subsequently remeasured to fair value at each balance sheet date. Changes in fair value of the warrants are recognized as interest expense in our statements of operations and comprehensive loss. We will continue to adjust the liability for changes in fair value until the earlier of the exercise or expiration of the warrants.

We utilize the Black-Scholes option-pricing model, which incorporates assumptions and estimates to value the preferred stock warrants. We assess these assumptions and estimates on a quarterly basis as additional information impacting the assumptions is obtained. Estimates and assumptions impacting the fair value measurement include the fair value per share of the underlying Series B preferred stock, the remaining contractual term of the warrants, risk-free interest rate, expected dividend yield and expected volatility of the price of the underlying preferred stock. We determine the fair value per share of the underlying preferred stock by taking into consideration our most recent sales of our preferred stock as well as additional factors that we deem relevant. We have historically been a private company and lack company-specific historical and implied volatility information of our stock. Therefore, we estimate expected stock volatility based on the historical volatility of a representative group of public companies in the biotechnology industry for a term equal to the remaining contractual term of the warrants. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve for time periods approximately equal to the remaining contractual term of the warrants. We have estimated a 0% dividend yield based on the expected dividend yield and the fact that we have never paid or declared dividends.

Upon the closing of this offering, the preferred stock warrants will become exercisable for common stock instead of preferred stock and the fair value of the warrant liability at that time will be reclassified to additional paid-in capital.

Valuation of preferred stock tranche liability

The Series E-1 preferred stock purchase agreement provided the Series E-1 investors with the right to participate in a subsequent closing of Series E-1 preferred stock upon the earlier of one year from the issuance date or the achievement of a strategic event as determined by the board of directors, which is referred to as the Series E-1 Tranche Right. The Series E-1 Tranche Right met the definition of a freestanding financial instrument
as the Series E-1 Tranche Right was legally detachable and separately exercisable from the Series E-1 preferred stock. The Series E-1 Tranche Right was classified as a liability and initially recorded at fair value. The Series E-1 Tranche Right liability was subject to revaluation at each balance sheet date until its exercise in July 2017. We utilized the Black-Scholes option-pricing model, which incorporated assumptions and estimates to value the Series E-1 Tranche Right liability prior to its exercise. We assessed these assumptions and estimates on a quarterly basis as additional information impacting the assumptions was obtained. Changes in fair value were included as a line item within other income (expense) in the accompanying statements of operations and comprehensive loss.

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 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 appearing at the end of this prospectus.

Quantitative and qualitative disclosures about market risks

As of December 31, 2017 and March 31, 2018, we had cash and cash equivalents of $16.4 million and $71.5 million, respectively. Interest income is sensitive to changes in the general level of interest rates; however, due to the nature of these investments, an immediate 10% change in interest rates would not have a material effect on the fair market value of our investment portfolio.

As of December 31, 2017 and March 31, 2018, we had $4.1 million and $2.4 million, respectively, of borrowings outstanding under the 2016 Loan Agreement. Amounts outstanding under the 2016 Loan Agreement bear interest at fixed interest rates and, therefore, do not expose us to interest rate risk.

We are not currently exposed to significant market risk related to changes in foreign currency exchange rates; however, we have contracted with and may continue to contract with foreign vendors. Our operations may be subject to fluctuations in foreign currency exchange rates in the future.

Inflation generally affects us by increasing our cost of labor. We do not believe that inflation had a material effect on our business, financial condition or results of operations during the years ended December 31, 2016 and 2017 or during the three month periods ended March 31, 2017 and 2018.

Emerging growth company status

The Jumpstart Our Business Startups Act of 2012 permits an “emerging growth company” such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies until those standards would otherwise apply to private companies. We have elected not to “opt out” of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we will adopt the new or revised standard at the time private companies adopt the new or revised standard and will do so until such time that we either (i) irrevocably elect to “opt out” of such extended transition period or (ii) no longer qualify as an emerging growth company.
Business

Overview

We are a clinical-stage biopharmaceutical company using our expertise in epigenetics to discover and develop novel therapeutics that address serious unmet medical needs in patients with cancers associated with abnormal gene expression or drug resistance. Our integrated epigenetics platform enables us to validate targets and generate small molecules against these targets that selectively modulate gene expression in tumor and immune cells to drive anti-tumor activity. Platform insights and clinical experience guide development of our wholly owned lead product candidates: CPI-1205 which inhibits enhancer of zeste homolog 2, or EZH2, and CPI-0610 which inhibits bromodomain and extra terminal domain, or BET, proteins. We believe that our approach to targeting these central gene regulatory mechanisms associated with cancer proliferation may enable us to provide therapeutic benefits to cancer patients. We have observed clinical activity in the first few patients treated with each of CPI-1205 in a Phase 1b/2 trial in patients with metastatic castration-resistant prostate cancer, or mCRPC, and CPI-0610 in a Phase 2 trial in patients with myelofibrosis, or MF. We believe that we are well-positioned to determine proof of concept with each of our lead product candidates in mid-2019 and, if successful, to advance them into pivotal clinical trials in these indications.

Our integrated epigenetics platform includes a deep understanding of the biology of regulation of gene expression by epigenetic regulatory proteins, or epigenetic regulators, the development of small molecule product candidates that selectively modulate their activity and the design of clinical development programs supported by novel biomarker strategies. We are able to target a broad variety of epigenetic regulators using our platform and have generated development candidates acting against distinct classes of those regulators. We utilized our epigenetics platform to discover and design CPI-1205, CPI-0610 and CPI-0209 and we continue to leverage this platform to develop these product candidates and to discover and develop additional product candidates.

EZH2 franchise

CPI-1205, our first lead product candidate, is a small molecule designed to promote anti-tumor activity by specifically inhibiting EZH2, an enzyme that suppresses target gene expression. Based on insights from our platform and the advancing body of scientific literature supporting the role of EZH2 in certain tumor types, including prostate cancer, we prioritized clinical development of CPI-1205 as a combination therapy for the treatment of solid tumors. We are currently conducting an open-label Phase 1b/2 clinical trial of CPI-1205 for the treatment of mCRPC in combination with the androgen receptor signaling, or ARS, inhibitors enzalutamide (marketed as Xtandi®) or abiraterone acetate (marketed as Zytiga®), which we refer to as the ProSTAR trial. Preliminary data to date from this trial suggest CPI-1205 has the potential to offer meaningful benefits beyond the current standard of care. We aim to demonstrate proof of concept in mid-2019. If the ProSTAR trial is successful, we intend to initiate a pivotal Phase 3 clinical trial of CPI-1205 in combination with either enzalutamide or abiraterone acetate for the treatment of mCRPC. We previously completed a Phase 1 clinical trial of CPI-1205 as a monotherapy in 32 patients with relapsed lymphoma in which CPI-1205 was well tolerated.

We believe that targeting EZH2 has the potential for broad therapeutic application in a variety of tumor types and have taken a franchise approach to targeting EZH2. Accordingly we have initiated our ORIOn-E trial, a Phase 1b/2 clinical trial of CPI-1205 for the treatment of patients with solid tumors in combination with immune checkpoint inhibitors, with the goal of leveraging EZH2’s impact on immune cell activity. We aim to establish safety and a recommended Phase 2 dose, or RP2D, in this trial by early 2019. Further, we believe that a second-generation inhibitor will enable us to address additional patient populations beyond those that have been targeted by first-generation EZH2 inhibitors. Based on this belief, we designed CPI-0209, our second-generation
EZH2 inhibitor, to achieve comprehensive coverage of EZH2. We are currently advancing CPI-0209 in IND-enabling studies and plan to initiate a Phase 1 clinical trial of this product candidate in solid tumors and/or hematological malignancies in 2019.

**BET inhibitor**

CPI-0610, our second lead product candidate, is a small molecule designed to promote anti-tumor activity by specifically inhibiting the function of BET proteins, which are proteins that normally enhance target gene expression. We are currently conducting a Phase 2 clinical trial of CPI-0610 as a monotherapy and in combination with ruxolitinib (marketed as Jakafi®), in patients with myelofibrosis, or MF, a progressive hematological cancer, who have been previously treated with ruxolitinib or an investigational JAK1/JAK2 inhibitor. There are no approved products for patients with MF whose disease progresses after treatment with ruxolitinib.

Preliminary data to date from this Phase 2 trial suggest CPI-0610 has the potential to offer meaningful benefits beyond the current standard of care. We have observed evidence of activity of CPI-0610 as a monotherapy and in combination with ruxolitinib, including a reduction in spleen size, measured by magnetic resonance imaging, or MRI. We aim to demonstrate proof of concept by mid-2019 and, after consultation with the U.S. Food and Drug Administration, or the FDA, regarding acceptable endpoints, to initiate a pivotal clinical trial of CPI-0610. CPI-0610 was well tolerated across three Phase 1 clinical trials in which we treated an aggregate of 138 patients with a variety of hematological malignancies. In one of these Phase 1 trials, in which we treated patients with lymphoma, we identified the maximum tolerated dose.

We have retained global development and commercial rights to all of our product candidates. Our goal is to become a fully integrated biopharmaceutical company with the ability to commercialize our products. Our management team has extensive experience in the discovery, development, regulatory aspects and commercialization of cancer therapeutics, including in senior roles at leading pharmaceutical companies.

### Our pipeline

The following table summarizes key information about our most advanced programs:

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<th>Product Candidates</th>
<th>Indications</th>
<th>Preclinical</th>
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<tr>
<td><strong>EZH2 Franchise</strong></td>
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<td>CPI-1205</td>
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<td>PreSTAR Trial</td>
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<tr>
<td>CPI-1205</td>
<td>Solid Tumors</td>
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<td>CPI-0209 (2nd Gen)</td>
<td>Solid Tumors/ Heme Malignancies</td>
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<td><strong>BET Inhibitor</strong></td>
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In addition to the programs discussed above, we have a preclinical pipeline focused on cancer- and immuno-epigenetics. We have used our epigenetics platform to validate novel targets and generate small molecule inhibitors against these targets that act on tumor or immune cells. We aim to test these molecules in clinical trials in indications with a defined biological rationale utilizing trial designs that are supported by biomarkers for patient enrichment.
Our strategy

Our objective is to discover, develop and commercialize innovative drugs that address the serious unmet medical needs of patients with cancers that are associated with abnormal gene expression or drug resistance. To achieve our objective, we intend to:

• **Leverage the insights from our platform and our clinical experience to rapidly and efficiently complete development of CPI-1205 and CPI-0610.** Building on the clinical activity that we observed in the first few patients with each of CPI-1205 in a Phase 1b/2 trial in patients with mCRPC and CPI-0610 in a Phase 2 trial in patients with MF, we aim to demonstrate proof of concept of each product candidate in mid-2019 and intend to initiate pivotal clinical trials with each product candidate. Additionally, in the ORION-E trial, we aim to establish a recommended Phase 2 dose of CPI-1205 in combination with immune checkpoint inhibitors by early 2019 and begin Phase 2 expansion cohorts for the treatment of solid tumors.

• **Expand our EZH2 franchise by advancing CPI-0209, our second-generation EZH2 inhibitor, as an opportunity to access additional cancer types.** We believe that targeting EZH2 has the potential for broad therapeutic application in a variety of tumor types and have taken a franchise approach to targeting EZH2. Leveraging our translational insights, we will prioritize solid tumor indications for biomarker-supported clinical trials. We believe CPI-0209 could achieve more comprehensive coverage of EZH2 and enable us to address additional patient populations beyond those that have been targeted by first-generation EZH2 inhibitors. We are currently advancing CPI-0209 in IND-enabling studies and plan to initiate a Phase 1 clinical trial of this product candidate in solid tumors and/or hematological malignancies in 2019.

• **Utilize our epigenetics platform to advance novel programs that target tumor and/or immune cells.** We are leveraging our platform to discover and develop programs focused on the inhibition of epigenetic regulators of tumor and/or immune cells that may lead to the killing or reprogramming of cancer cells and/or result in anti-tumor immune activity. We aim to select our next product candidate in 2019.

• **Maximize the global commercial potential of our product candidates.** We plan to retain commercial rights to our product candidates in the United States, while selectively evaluating strategic partnerships that could maximize their commercial potential by expanding our geographic reach or by development in additional indications. We intend to build a targeted, specialty sales force in the United States to support the commercialization of our product candidates, if approved. We continually assess opportunities to augment our capabilities, capital and pipeline through collaborations.

Cancer and epigenetics

Cancer is a heterogeneous group of diseases characterized by uncontrolled cell division and growth. Cancer can arise when the dysregulation of the cell's gene expression program alters the identity of single normal cells. This dysregulation can arise when there are changes in genes that control signaling pathways governing cell differentiation and function. Cancer cells can utilize this abnormal gene expression by using epigenetic regulators to activate pro-tumor genes or deactivate tumor suppressor genes. Furthermore, cancer cells can also use epigenetic regulators to activate resistance mechanisms against cancer treatments, including chemotherapy, targeted therapy and immunotherapy, and render the treatments less effective.

**Epigenetics background**

Epigenetics refers to a broad regulatory system that controls gene expression by modifying chromatin, which consists of DNA wrapped around an assembly of proteins called histones. The DNA included in chromatin is identical in each cell in the body and the identity and function of each cell is determined by the specific set of
genes that are expressed, or turned on or off, in a given cell. Whether a specific set of genes is turned on or off depends on the action of epigenetic regulators.

Epigenetic regulators change the architecture of chromatin, allowing it to adopt an open configuration to facilitate gene expression or, conversely, a closed configuration to suppress gene expression. An open chromatin configuration turns on a gene by allowing access and ‘readout’ of the genetic information stored in DNA. A closed chromatin configuration turns off a gene by preventing access to DNA and results in silencing of gene expression.

We have focused our discovery and development efforts on three distinct classes of epigenetic regulators. First, epigenetic writers, which are enzymes that add chemical modifications on chromatin. Second, epigenetic readers, which are protein families that recognize chemical modifications on chromatin and bind to these modifications using specialized protein domains. Third, epigenetic erasers, which are enzymes that remove chemical modifications from chromatin. The action of each class of epigenetic regulators can alter chromatin configuration and control the expression of certain genes in different ways.

As illustrated in the graphic below, epigenetic regulators within the writer, reader and eraser classes modify chromatin and affect gene expression by either adding, binding to or removing chemical tags, which are indicated by dots, on chromatin. In normal cells, these epigenetic mechanisms are tightly regulated so that genes are “turned on” or “turned off” as appropriate.

Abnormal cells, such as proliferating cancer cells, can usurp these epigenetic mechanisms ultimately leading to disease. In certain contexts, the activity of an epigenetic regulator may be altered due to a genetic mutation, which may make certain cancer cells dependent on the activity of an individual epigenetic regulator for cancer cell growth. In other contexts, cancer cells may use the activity of an epigenetic regulator cooperatively with other cellular factors to exacerbate disease-promoting mechanisms and suppress the effectiveness of drug therapies, including chemotherapeutic agents, targeted agents (e.g. tyrosine kinase inhibitors) and immune-modulating agents (e.g., immune checkpoint inhibitors).

Epigenetics regulators also play a significant role in the differentiation of immune cell populations. The various immune cells in a human body arise from blood progenitor cells, or stem cells, through differentiation processes. Epigenetic regulators govern these differentiation processes by promoting and suppressing certain
genes that are specific for each type of immune cell. Cancer cells can use epigenetic regulators to cause the differentiation process to produce or program immune cells that promote tumor immunity. The selective inhibition of these epigenetic regulators may alter this differentiation process and re-program immune cells that increase tumor immunity into immune cells that drive an anti-tumor response. This approach may allow immune cells to overcome resistance to immune checkpoint inhibitors.

**Epigenetic inhibitor approaches**

Epigenetic inhibition is particularly attractive as a therapeutic approach for several reasons:

- small molecule inhibitors can block the abnormal function of epigenetic regulators that cancer cells depend on for growth and potentially restore normal gene expression;
- cells in the body utilize a large number of epigenetic regulators to control gene expression which provides a large number of potential drug targets; and
- biomarkers can be used to enrich for patients who are most likely to respond to epigenetic inhibition.

The early epigenetic inhibitors—such as histone deacetylase and DNA methyltransferase inhibitors—have not delivered on the full potential of the inhibition of epigenetic regulators as a class of cancer therapy. These drugs cause broad changes to gene expression across thousands of genes. This broad inhibition, as opposed to more selective inhibition, generally resulted in unintended effects accompanying the desired effect. Moreover, early epigenetic inhibitors were solely designed to alter gene expression in cancer cells to induce cancer cell death. This approach did not consider the importance of the cells surrounding the cancer cells, referred to as the tumor microenvironment, and the supporting role that epigenetic regulators play in sustaining the tumor microenvironment for cancer cell growth.

Since these early epigenetic drugs, biopharmaceutical development has focused on therapies targeting epigenetic regulators in genetically defined cancer contexts, and specifically in mutated epigenetic regulators with abnormal function that cancer cells depend on for growth. This approach has identified a small number of epigenetic targets and development opportunities for certain targets, including EZH2. Given that abnormal function of epigenetic regulators can arise for reasons other than genetic mutations, we believe that these genetically defined approaches, while valuable, underestimate the potential of identifying and specifically targeting epigenetic regulators in cancer.

**Our approach**

We are a pioneer in the discovery and development of novel therapeutics that target the writer, reader and eraser classes of epigenetic regulators and modulate gene expression in a more selective manner. Our efforts have demonstrated that these distinct classes of epigenetic regulators are broadly druggable and that selective reprogramming of gene expression is a promising therapeutic approach to not only induce cancer cell killing but also to enhance anti-tumor immunity.

**Integrated platform**

Our integrated epigenetics platform includes a deep understanding of the biological context in which epigenetic regulators operate, the development of small molecule product candidates that selectively modulate their activity and the design of clinical development programs supported by novel biomarker strategies.

*Understanding the biological context.* We have built a suite of tools that enables us to identify and validate epigenetic target biology. Specifically, we have built a chemical probe library comprising selective and potent
small molecules that each inhibit the activity of a specific epigenetic regulator. In addition, we have also built libraries of genetic tools that help us understand the function of specific genes that encode epigenetic regulators. We routinely screen these small molecules and genetic tools across cellular and animal models of disease to identify and validate potential epigenetic targets. We have utilized these tools to identify epigenetic targets that, when inhibited, induce cancer cell death, sensitize tumor cells to an immune response, and reprogram immune-suppressive immune cells to enhance anti-tumor activity.

**Development of small molecule product candidates.** Our small molecule drug discovery engine is supported by our deep understanding of the writer, reader, and eraser classes of epigenetic regulators. We have spent over ten years developing this understanding, and that expertise combined with our capabilities in assay development, biochemistry, compound screening, medicinal chemistry and structural biology, provides a strong platform to continue to develop small molecule epigenetic inhibitors. As a result, we have been able to develop multiple product candidates across our target classes and expect to continue to do so in the future.

**Design of clinical development programs.** We believe that our ability to link biological and clinical development to identify a path to registration for each of our product candidates is a crucial component of our platform. We prioritize indications based on the importance of a specific epigenetic target as a driver of a specific cancer. We also evaluate *in vivo* models, cancer cell line panels, and human tumor samples to identify biomarkers that can be used to identify patient populations that may be most likely to respond to treatment with our product candidates. We create and use a range of assays in our preclinical and early clinical testing to validate hypotheses that we may use in later stage testing to target specific patient populations.

Our approach to therapeutic agents is focused on epigenetic targets:

- whose inhibition modulates gene expression in a highly selective manner;
- with broad development opportunities, including biomarker-defined contexts, which we believe may expand the applicability of our product candidates to cancers with immune evasion or acquired drug resistance; or
- whose inhibition may reprogram immune-suppressive immune cells in the tumor microenvironment to enhance anti-tumor activity.

Our epigenetics platform allows us to intervene in diseases by targeting distinct classes of epigenetic regulators, including the following examples:

- EZH2—an epigenetic *writer*—is an enzyme that suppresses target gene expression by adding modifications to chromatin. Certain cancer and immune cells can use EZH2 to promote growth of cancer cells or suppress an anti-tumor immune response;
- BET proteins—a group of epigenetic *readers*—are proteins that bind to chromatin and enhance target gene expression. Certain cancer cells can use BET proteins to promote growth of cancer cells and inflammatory disorders; and
- LSD1—an epigenetic *eraser*—is an enzyme that suppresses target gene expression by removing modifications from chromatin. Certain cancer cells and immune cells can utilize lysine-specific demethylase 1A, or LSD1, to promote growth of cancer cells or suppress an anti-tumor immune response.

We believe that we can leverage our epigenetic platform to expand our discovery and development efforts into additional classes of epigenetic targets. We are also currently advancing several discovery programs against undisclosed epigenetic regulators focused on the tumor and the immune microenvironment.
Our product candidates

CPI-1205—EZH2 inhibitor

Overview

Historically, the primary focus of EZH2 as a drug target has been the role of EZH2 mutations or overexpression in cancer. We believe these genetically defined approaches to EZH2 inhibition may underestimate the broader therapeutic potential of the target in cancer. While EZH2 genomic aberrations and overexpression are frequently correlated with late-stage cancer and a poor prognosis for a wide variety of cancers, including prostate cancer, EZH2 also cooperates with other cancer promoting pathways, such as androgen receptor signaling and immune signaling. Therefore, we believe EZH2 inhibition can synergistically enhance the effectiveness of existing cancer therapies.

CPI-1205, our first lead product candidate, is a small molecule designed to promote anti-tumor activity by specifically inhibiting EZH2, an enzyme that suppresses target gene expression. In preclinical studies, we observed a dose-proportional inhibition of EZH2 that correlated with the tumor growth-inhibiting activity of CPI-1205 in \textit{in vitro} and \textit{in vivo} models. In preclinical studies, we observed that CPI-1205 inhibited tumor growth as a single agent and synergistically enhanced the efficacy of cancer therapies, including ARS inhibitors, in a prostate cancer model, and immune checkpoint inhibitors in other solid tumor models. Based on these observations and the limited options for patients who progress on ARS inhibitors or checkpoint inhibitors, we have prioritized clinical development of CPI-1205 as a combination therapy with ARS inhibitors in prostate cancer and checkpoint inhibitors in solid tumors.

We are currently conducting the ProSTAR trial, which is an open-label Phase 1b/2 clinical trial of CPI-1205 for the treatment of mCRPC in combination with enzalutamide or abiraterone acetate, which are second-generation ARS inhibitors. We aim to demonstrate proof of concept in mid-2019. Preliminary data to date from this trial suggest CPI-1205 has the potential to offer meaningful benefits beyond the current standard of care. If the ProSTAR trial is successful, we intend to initiate a pivotal Phase 3 clinical trial of CPI-1205 in combination with enzalutamide or abiraterone acetate for the treatment of mCRPC. We previously completed a Phase 1 clinical trial of CPI-1205 as a monotherapy in 32 patients with relapsed B-cell lymphoma in which CPI-1205 demonstrated clinical activity and was well tolerated.

We believe that targeting EZH2 has the potential for broad therapeutic application in a variety of tumor types. We believe that EZH2 has a role in immune cell activity and have initiated the ORIOn-E trial, which is a Phase 1b/2 clinical trial of CPI-1205 for the treatment of solid tumors in combination with ipilimumab (marketed as Yervoy®) or pembrolizumab (marketed as Keytruda®), which are immune checkpoint inhibitors.

EZH2 inhibition in cancer

EZH2 acts as an epigenetic writer and normally regulates gene expression by placing one or more methyl groups on a histone protein leading to the suppression of gene expression programs. While this effect of EZH2 on gene expression is a normal part of cellular development, some cancers depend on an abnormal pattern of gene expression, and re-direct EZH2 to genes that become abnormally repressed. Cancer cells with these abnormal gene expression programs may be more resistant to anti-cancer therapies.

Abnormal EZH2 function has been implicated in cancer in a number of different ways:

- Cancer genetics: mutations in the gene encoding EZH2 result in the altered enzymatic activity of EZH2 and cancer cells become dependent on this abnormal activity for tumor growth. Alternatively, mutations in other epigenetic regulators can change the genes expressed by cancer cells and indirectly create a dependence on EZH2 for cancer cell growth;
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- Acquired drug resistance: therapeutic agents promote EZH2-mediated gene silencing that may lead to acquired resistance to these agents; and
- Immune suppression: EZH2-mediated reprogramming of immune cells within the tumor, e.g. T-cells, and tumor cells to create an immune suppressive tumor microenvironment.

There is a strong association between EZH2 expression and disease progression in mCRPC and a therapeutic approach that targets EZH2 may result in better outcomes than those achieved with approved therapeutic agents that treat mCRPC.

In prostate cancer, the androgen receptor is a key regulator of gene expression and acts as the mediator of androgen signaling in prostate cells. The AR signaling pathway is the primary pathway used by prostate cancer cells to promote tumor growth. As shown below, we believe that EZH2, by suppressing certain gene sets, enhances AR signaling, which can lead to increased tumor growth. In preclinical studies, we observed enhanced gene expression changes in prostate cancer cells treated with a combination of enzalutamide and CPI-1205 as compared to enzalutamide treatment alone. This corroborates our hypothesis that EZH2 functionally cooperates with androgen receptor signaling to promote prostate cancer growth.

We also believe that EZH2 is utilized by prostate cancer cells to establish resistance to ARS inhibitors. We have observed in preclinical studies that EZH2 inhibitors, such as CPI-1205, in combination with ARS inhibitors synergistically killed tumor cells and demonstrated activity in models that are resistant to ARS inhibitors.

EZH2 also plays a critical role in immune cell function and helps to define the state of certain immune cells. EZH2 is required for the activation of T-cells to support differentiation into T regulatory cells, or T-reg cells, which are T-cells that suppress an immune response. Alternatively, EZH2 is required to weaken T-effector cells, which are T-cells that execute an immune response. In mouse models, the genetic loss of EZH2 in T-reg cells rendered mice immune to tumors. We have observed that blocking of EZH2 activity inactivated T-reg cells and stimulated T-effector cell function in vitro and CPI-1205 resulted in the inhibition of tumor growth in vivo.
Metastatic castration-resistant prostate cancer

According to the American Cancer Society, or ACS, prostate cancer is the second most common type of cancer amongst men in the United States and is the second leading cause of cancer death in this population. In 2018, the ACS estimates that in the United States approximately 165,000 men will be diagnosed with prostate cancer and that there will be approximately 29,000 deaths due to prostate cancer.

The growth and survival of prostate cancer cells depend primarily on the androgen receptor signaling pathway. Cancer cells can use the binding of androgens to androgen receptors to trigger abnormal cell growth and tumor progression. The standard of care for the treatment of advanced prostate cancer is androgen deprivation therapy, or ADT, which induces medical castration, or surgical castration to achieve reduced testosterone levels. Medical castration involves gonadotropin-releasing hormone antagonists, alone or in combination with first generation anti-androgen therapy. Most men with prostate cancer treated with ADT respond, as measured by tumor regression, relief of symptoms and reductions in serum prostate-specific antigen, or PSA, level and are considered to have hormone-sensitive prostate cancer. However, almost all prostate cancer patients eventually experience a recurrence in tumor growth despite ADT. These patients are diagnosed with castration-resistant prostate cancer, or CRPC, which refers to prostate cancer that progresses despite ADT and is characterized by low testosterone serum levels. The development of CRPC following ADT is due in part to tumor cells that adapt to the hormone-deprived environment of the prostate.

Castration-resistant prostate cancer that spreads, or metastasizes, to other parts of the body is diagnosed as mCRPC and may be characterized by increasing PSA levels, elevated circulating tumor cell, or CTC, counts and soft tissue disease. According to a meta-analysis of Phase 3 clinical trials published in a peer-reviewed third-party scientific publication, elevated CTC counts have been demonstrated to be a poor prognostic factor for overall survival in patients with mCRPC. CTCs are cells that have shed from a primary tumor and are carried around the body in the blood and may lead to metastases. According to the published analysis, a 30% decline in CTC counts as early as four weeks after treatment initiation suggests that advanced prostate cancer patients may benefit from treatment.

Patients with mCRPC have an average survival of approximately 30 months and experience a deterioration in quality of life despite treatment with the available therapeutic options. The standard practice is to treat mCRPC with an ARS inhibitor, including abiraterone acetate or enzalutamide. These products are approved in the United States for first-line therapy in chemotherapy-naïve patients with mCRPC as well as for second-line treatment in patients who have received prior chemotherapy.

We believe that there are approximately 140,000 men in the United States living with castration-resistant prostate cancer and that the majority of those patients will develop mCRPC. Based on third-party data, we estimate that there are approximately 30,000 to 50,000 new mCRPC patients per year in the United States. Most patients progress from earlier prostate cancer stages, while some patients are initially diagnosed with metastatic disease. We believe that most patients with mCRPC receive treatment with at least one ARS inhibitor. According to published literature, approximately 60-80% of patients with mCRPC respond to first-line treatment with either abiraterone acetate or enzalutamide with nine to 15 months of PSA progression-free survival. Of those who have a PSA response, a large majority eventually develop resistance to ARS inhibitors. Resistance mechanisms to ARS inhibitors include AR amplification and overexpression and circulating androgen receptor splice variant-7, or ARV7, which is a constitutively active version of the AR that is no longer inhibited by ARS inhibitors. ARV7 is a marker for aggressive mCRPC.

If patients with mCRPC have disease progression after treatment with a second-generation ARS inhibitor, they may be treated with either chemotherapy or a different second-generation ARS inhibitor. Experts that treat mCRPC patients estimated that only 10-30% of patients will respond to the second-line treatment with a
different ARS inhibitor and that the response achieved is typically less than half as durable, with three to six months of PSA progression-free survival, as compared to the response observed with first-line ARS inhibitor treatment. After treatment and progression with a second ARS inhibitor or chemotherapy, patients with mCRPC have very limited treatment options other than pain management and other palliative care options. In many cases, these patients have measurable, metastatic soft tissue disease. We believe patients who have received either abiraterone acetate or enzalutamide as a first- or second-line therapy would be candidates for combination therapy with these therapies and CPI-1205.

Clinical development

ProSTAR Trial: Phase 1b/2 Clinical Trial in Combination with Second-Generation ARS Inhibitors. We are currently conducting an open-label Phase 1b/2 clinical trial of CPI-1205 in patients with mCRPC who previously progressed on treatment with either abiraterone acetate or enzalutamide. We plan to enroll up to 36 patients in the Phase 1b portion of this trial and we are aiming to establish safety, pharmacokinetics, pharmacodynamics, maximum tolerated dose and a recommended Phase 2 dose of CPI-1205 with these agents. In this trial, patients who have previously progressed on treatment with abiraterone acetate are treated with a combination of enzalutamide and CPI-1205, and patients who previously progressed on treatment with enzalutamide are treated with a combination of abiraterone acetate and CPI-1205. In addition, we are exploring the use of one co-medication to boost the exposure of CPI-1205 in this trial. The co-medication has been approved by the FDA for use in humans and acts by inhibiting cytochrome P450 enzymes. We are testing whether blocking these enzymes will increase the exposure of CPI-1205 and may allow us to use a lower or less frequent dose of CPI-1205. We may determine to use the co-medication as part of the Phase 2 dosing regimen based on the data we receive in the Phase 1 portion of the trial relating to its pharmacokinetic effects on CPI-1205 exposure and the safety profile of the relevant combination with and without the co-medication.

The design of the ProSTAR trial is depicted below.

In the Phase 1b trial, mCRPC patients are being given an 800 mg dose of CPI-1205 three times per day in combination with either abiraterone acetate or enzalutamide. Other cohorts of patients are being given a lower dose of CPI-1205 twice per day in combination with the co-medication to boost the exposure of CPI-1205 and either abiraterone acetate or enzalutamide and may escalate up to a higher dose of CPI-1205 twice per day. The primary endpoints of the Phase 1b trial are to establish the maximum tolerated dose and the recommended Phase 2 dose of CPI-1205 with these agents. We will assess any dose-limiting toxicities according to the National Cancer Institute’s Common Terminology Criteria for Adverse Events version 4.03, or CTCAE.

Based on safety, pharmacokinetic and pharmacodynamic results from the Phase 1b trial, we expect to select either abiraterone acetate or enzalutamide to be combined with the optimal dose regimen of CPI-1205 for the Phase 2 portion of the trial. In the Phase 2 trial, we will assess response rate as the primary endpoint. According to the current protocol for the trial, the response rate is defined as the proportion of patients who have a
response. A response is defined to consist of any of (i) a PSA reduction of 50% or more from baseline, (ii) a decline of 30% or more in CTC count from baseline or (iii) for patients with measurable soft tissue disease, an objective response, which is defined as a complete response or partial response per Response Evaluation Criteria in Solid Tumors 1.1, or RECIST 1.1 criteria.

RECIST 1.1 criteria define disease progression and tumor response based on the sum of the longest diameters of a set of target tumor lesions identified when the patient enters the trial, which we refer to as baseline. Under this criteria, (1) disease progression is defined as (i) 20% or greater increase in the sum of diameters in target lesions as compared to baseline, referred to as unequivocal progression in non-target lesions, or (ii) the appearance of a new lesion; (2) a partial response is defined as reduction in the sum of the diameters of at least 30% as compared to baseline and no new lesions; and (3) a complete response is defined as complete disappearance of target and non-target lesions. Both partial and complete responses must be confirmed by repeat assessments at least four weeks after the partial or complete response is first documented. Stable disease refers to patients who exhibit neither response nor disease progression. The best overall response is the best response recorded from the start of the trial treatment until the end of treatment taking into account any requirement for confirmation.

We plan to enroll up to approximately 110 patients in the Phase 2 portion of the trial. In the randomized portion of the trial, 35 patients will receive the selected ARS inhibitor as a monotherapy and 35 patients will receive the selected ARS inhibitor in combination with CPI-1205. If we select enzalutamide as the ARS inhibitor for the Phase 2 portion of the trial, we plan to enroll patients who previously progressed on treatment with abiraterone acetate. If we select abiraterone acetate as the ARS inhibitor for the Phase 2 portion of trial, we plan to enroll patients who previously progressed on treatment with enzalutamide or similar ARS inhibitors. We plan to add an additional expansion arm to the Phase 2 trial with up to 40 patients who have measurable disease and who progressed after treatment with both enzalutamide and abiraterone and prior chemotherapy. These patients will also be treated with a combination of CPI-1205 and an ARS inhibitor. The primary endpoint for the expansion arm will be objective response as determined by an independent central review. We also plan to collect and analyze biomarkers to assess molecular features of AR and EZH2-related biology, which may allow us to enrich for patients who are most likely to respond to treatment with CPI-1205.

As of May 25, 2018, ten patients in the Phase 1b trial have been treated with CPI-1205, consisting of four patients treated with the combination of CPI-1205 and abiraterone acetate and six patients treated with the combination of CPI-1205 and enzalutamide. Eight patients had unfavorable CTC counts (greater than five cells per 7.5 mL of blood) at baseline, which is a poor prognostic factor for overall survival in patients with mCRPC. Four patients had soft tissue metastases at baseline. Three patients were ARV7 positive at baseline based on at least one of two assays that we use to measure ARV7. ARV7 is a marker for more aggressive mCRPC. Of the ten patients, as of May 25, 2018, seven patients have been treated for longer than one month, and of those seven patients, three patients have been treated for more than two months and two patients have been treated for longer than four months.

One patient, treated with the combination of CPI-1205 and abiraterone acetate, discontinued treatment prior to completing one cycle (28 days) due to elevated liver enzymes, or transaminases. The elevated transaminases were asymptomatic and reversible. This patient also had clinical disease progression. No other dose-limiting toxicities have been observed and each combination has been generally well tolerated as of May 25, 2018. As of May 25, 2018, there have not been any treatment-related serious adverse events in this trial. After May 25, 2018, one patient treated with the combination of CPI-1205, abiraterone acetate and the co-medication had evidence of progression and died due to complications of pneumonia after two cycles of treatment in the trial. The clinical investigator concluded that the fatal event was not related to treatment with the trial combination.
The figure below presents the duration of treatment, as of May 25, 2018, for each of the ten patients treated in this ongoing trial.

Both of the patients who have been on therapy for more than four months have been treated in the combination of CPI-1205 and enzalutamide arm. One of these patients experienced an 85% reduction in PSA level after one cycle of therapy. This patient had measurable soft tissue disease and an unfavorable CTC count. This patient experienced a complete response after two months of treatment as assessed by CT scan and converted to favorable CTC status (defined as less than five cells per 7.5 mL of blood). The patient's response continued as of May 25, 2018. The other patient experienced an 83% reduction in PSA levels after one cycle of therapy. This patient chose to discontinue treatment with enzalutamide after the first cycle of combination therapy and continued to be treated with CPI-1205 as a monotherapy as of May 25, 2018. Prior to entering the trial, this patient had metastatic bone disease, and after three cycles of therapy, the PET/CT scan showed resolution of bone metastasis.
The figure below shows the evolution of PSA changes, as of May 25, 2018, for each evaluable patient treated in the trial beginning with the pre-screening period (prior to treatment). One patient did not have a PSA measurement at baseline and is not included in the figure below.

![PSA Change from Baseline](image1)

The figure below depicts the change in CTC count, as of May 25, 2018, in the four patients in the trial who had unfavorable CTC counts at baseline and have had at least one post-baseline CTC measurement. Each of these patients have been treated in the enzalutamide arm. As shown below, two of these patients have experienced a reduction in CTC count of more than 30% from baseline as of May 25, 2018.

![CTC Change from Baseline](image2)

**Compassionate Use.** Two patients have been treated with a combination of CPI-1205 and enzalutamide under a compassionate use protocol based on the preliminary anti-tumor activity observed in our Phase 1b clinical trial and because these patients did not meet the eligibility criteria for the ProSTAR trial. The first patient’s cancer previously progressed on treatment with both abiraterone acetate and enzalutamide as well as multiple chemotherapy treatments, treatment with immune checkpoint inhibitors, treatment with a tyrosine kinase enzyme inhibitor and radium regimens. Shortly after first dosing with CPI-1205 and enzalutamide, treatment was interrupted for approximately four days due to non-treatment associated pneumonia. Based on an assessment taken two weeks after initiation of therapy, this patient was observed to have an 80% reduction in PSA levels and
showed evidence of tumor size reduction in the neck by palpation. Subsequently, the patient was found to have progressive disease in the liver, stopped therapy, and died shortly thereafter due to disease progression. The second patient was heavily pretreated with abiraterone acetate, enzalutamide and docetaxel. This patient stopped chemotherapy without evidence of progressive disease and began treatment with CPI-1205 and enzalutamide, rendering us unable to evaluate the results of treatment. This patient discontinued the experimental combination due to disease progression.

**ORION-E Trial: Phase 1b/2 Clinical Trial in Combination with Immune Checkpoint Inhibitors.** We have also initiated a Phase 1b/2 clinical trial of CPI-1205 in combination with ipilimumab or pembrolizumab for the treatment of patients with solid tumors, who have previously progressed on treatment with an immune checkpoint inhibitor that inhibits programmed death-ligand 1, PD-L1 or programmed cell death protein 1, or PD-1. Similar to the ProSTAR trial, patients are being given an 800 mg dose of CPI-1205 three times per day and we are also exploring the use of the same co-medication to boost the exposure and lower the dose of CPI-1205 in this trial. The primary endpoint of the Phase 1b trial is to establish the maximum tolerated dose and the recommended Phase 2 dose of CPI-1205 with these agents. We will assess any dose-limiting toxicities according to CTCAE.

In order to establish the recommended Phase 2 dose, we will evaluate the safety, pharmacokinetic and pharmacodynamic results from the Phase 1b trial. We aim to establish safety, pharmacokinetics, maximum tolerated dose and a recommended Phase 2 dose of the combination by early 2019 and plan to initiate the Phase 2 portion of the trial thereafter. The primary endpoint of the Phase 2 portion of the trial will be to evaluate objective responses, which is defined as a complete response or partial response per RECIST 1.1 criteria.

The design of the ORION-E trial is depicted below.

As of May 25, 2018, nine patients in the Phase 1b trial have been treated with CPI-1205, consisting of six patients treated with the combination of CPI-1205 and ipilimumab and three patients treated with the combination of CPI-1205 and pembrolizumab. As of May 25, 2018, five patients have been treated for longer than one month, and of those five patients, four have been treated for longer than two months and one patient has been treated for longer than three months.
The figure below presents the duration of treatment and current status, as of May 25, 2018, for each of the nine patients treated in this ongoing trial.

As shown above, as of May 25, 2018, one patient treated with a combination of CPI-1205 and ipilimumab has experienced a partial response under RECIST 1.1 criteria. This patient’s disease had progressed on prior treatment with pembrolizumab and chemotherapy. After two cycles of treatment with CPI-1205 and ipilimumab, this patient experienced a 23% reduction in tumor volume, which improved to a 42% reduction in tumor volume after four cycles of therapy. This patient discontinued treatment in the trial after four cycles due to autoimmune hepatitis as described below. As of May 25, 2018, three patients had stable disease under RECIST 1.1 criteria as best response.

As of May 25, 2018, two patients in the CPI-1205 and ipilimumab arm of the trial discontinued treatment due to autoimmune hepatitis. One of these patients had autoimmune hepatitis during the dose-escalation period and the other patient had autoimmune hepatitis after the dose-escalation period (the first two cycles). Both patients were treated with oral steroids following discontinuation of treatment in the trial, which led to a complete resolution of the autoimmune hepatitis. In addition, as of May 25, 2018, three patients have discontinued treatment due to disease progression, consisting of two patients in the CPI-1205 and ipilimumab arm and one patient in the CPI-1205 and pembrolizumab arm.

As of May 25, 2018, three patients in the trial have experienced non-treatment related serious adverse events. One patient treated with CPI-1205 and ipilimumab experienced syncope prior to initiation of treatment, and experienced rectal bleeding. A second patient treated with CPI-1205 and ipilimumab experienced pericardial effusion in a context of disease progression and discontinued treatment. A third patient experienced non-cardiac chest pain in a context of disease progression and discontinued treatment.

**Phase 1 Clinical Trial.** We have evaluated CPI-1205 as monotherapy in a Phase 1 clinical trial in 32 patients with progressive/relapsed lymphoma, including 22 patients in the dose-escalation portion of the trial and ten patients in the expansion portion of the trial. We evaluated escalating doses of CPI-1205 administered on a continuous twice daily dosing basis. Patients in the dose-escalation portion of the trial received CPI-1205 doses of 200, 400, 800 and 1,600 mg.

The primary endpoint of the trial was to establish the safety of CPI-1205 as a single agent by evaluating the frequency of dose-limiting toxicities associated with treatment with CPI-1205 during the first 28 days of treatment. CPI-1205 was well tolerated at all dose levels with no dose-limiting toxicities reported during the dose-escalation.
phase. The most frequent adverse events in the Phase 1 trial were: diarrhea, nausea, fatigue, a decrease in lymphocyte count and muscle spasms, which were mostly grade 1 and grade 2. Seven patients (22%) experienced adverse events that were grade 3 or higher under CTCAE, which included three patients with decreased lymphocyte count and one patient each with nausea, anemia, hypertension and toxic epidermal necrolysis (grade 4). A total of 28 serious adverse events were reported by 16 patients (50%). There were two treatment-related serious adverse events, consisting of nausea and toxic epidermal necrolysis.

The secondary endpoints of the trial were to characterize the safety and tolerability of CPI-1205, to characterize the pharmacokinetics of CPI-1205, to characterize the pharmacodynamic effects of CPI-1205 in lymphoma biopsy tissue, bone marrow and skin biopsy tissue, and circulating subsets of normal immune cells and to characterize any anti-lymphoma activity that may be associated with CPI-1205.

Patients in the dose-escalation portion of the trial were not selected on the basis of an EZH2 mutation. We observed dose-dependent increases in CPI-1205 exposure and evidence of target engagement at multiple dose levels. As of January 2018, two of the lymphoma patients treated with CPI-1205 as a monotherapy had objective partial metabolic responses to treatment under the 2014 Lugano Response Criteria for Hodgkin and Non-Hodgkin Lymphoma, or Lugano criteria, and one patient had durable stable disease. Each response was validated by independent central review. Under the Lugano criteria, responses are assessed using a PET/CT scan and are scored on a five-point scale. A partial metabolic response has a score of four or five with reduced tumor glucose uptake and suggests responding disease at interim and residual disease at end of treatment. Stable disease has a score of four or five with no significant change in tumor glucose uptake from baseline at interim or end of treatment. Both patients with partial metabolic responses were enrolled in the 1,600 mg cohort, one with germinal center-B-cell-like diffuse large B-cell lymphoma and one with follicular lymphoma. Both patients had progressive reductions in tumor volume. In addition, as of May 25, 2018, one patient with small lymphocytic lymphoma enrolled in the 200 mg cohort who remains on treatment has had stable disease for more than 32 treatment cycles. This patient transitioned to a single patient IND and continues to receive treatment with CPI-1205.

We made a strategic decision to prioritize development of CPI-1205 in solid tumors, despite encouraging clinical data in our Phase 1 trial in patients with refractory lymphoma, primarily due to our evaluation of the potential pathway to regulatory approval and the potential commercial opportunities in solid tumors.

Preclinical studies

We have conducted preclinical studies using in vitro prostate cancer cell models in which our observations suggested that CPI-1205 affected the viability of androgen receptor-dependent prostate cancer cells in a concentration-dependent manner. These results were achieved consistently throughout the preclinical studies using in vitro prostate cancer cell models. We also observed that CPI-1205 affected the viability of two different established prostate cancer cell models of ARS inhibitor resistance: cell models that expressed ARV7 and cell models with engineered overexpression of the androgen receptor, which are resistant to bicalutamide, a first-generation ARS inhibitor. In addition, we observed that CPI-1205 enhanced the activity of ARS inhibitors in androgen receptor-dependent prostate cancer cell models. We observed synergy with each combination of CPI-1205 and enzalutamide and CPI-1205 and abiraterone acetate, and we believe that each agent enhanced the activity of the other agent.
As shown below, we observed that CPI-1205 inhibited tumor growth \textit{in vivo} as a single agent in a lymphoma xenograft mouse model and may enhance the effectiveness of cancer therapies, including ARS inhibitors in a prostate cancer xenograft mouse model and immune checkpoint inhibitors in a breast cancer mouse model.

CPI-1205 Monotherapy in Pfeiffer Lymphoma Xenograft Mouse Model

Combination with ARS Inhibitor in Prostate Cancer Xenograft Mouse Model

Combination with Immune Checkpoint Inhibitor in Breast Cancer Mouse Model

The results in the lymphoma xenograft model presented above are consistent with similar studies of CPI-1205 as a monotherapy in that and other lymphoma xenograft models. The lymphoma xenograft model was powered for statistical significance. We used a conventional method of assessing statistical significance known as a one-way analysis of variance, or ANOVA, and the p-value for this study was less than 0.0001. A p-value of less than 0.05 is generally considered to represent statistical significance, meaning that there is a less than five percent likelihood that the observed results occurred by chance. We have not conducted additional studies in the other two models presented above. These two models were not powered for statistical significance.

We also observed that EZH2 inhibition resulted in the inhibition of tumor growth in a prostate cancer xenograft model of ARS inhibitor resistance that expresses ARV7 as shown in the figure below. The p-value for this study was less than 0.0001.

We also conducted additional preclinical studies of CPI-1205 in tumor models of tumor types other than those discussed above. Depending on the tumor type, we observed varied levels of tumor growth inhibition at a given CPI-1205 dosing regimen and the results of those studies helped inform our clinical development strategy.

\textbf{CPI-0209—Second-generation EZH2 inhibitor}

We designed CPI-0209, our second-generation EZH2 inhibitor, to achieve comprehensive coverage of EZH2, which we believe will enable us to expand the addressable patient population beyond those that have been
targeted by first-generation EZH2 inhibitors. We are currently advancing CPI-0209 in IND-enabling studies and plan to initiate a Phase 1 clinical trial in solid tumors and/or hematological malignancies in 2019.

In preclinical studies, we observed that CPI-0209 bound to EZH2 with higher affinity and remained associated with EZH2 for a longer period of time when compared to first-generation EZH2 inhibitors. We believe that these characteristics may enable CPI-0209 to increase the level and duration of EZH2 inhibition compared to that of CPI-1205. Product candidates that provide more comprehensive and longer inhibition of EZH2 may enable us to treat additional cancer types that may require a higher level of EZH2 inhibition.

We believe that the level of EZH2 inhibition necessary to produce a therapeutic effect varies across cancer types based on our preclinical studies where we have observed that the dose required to affect tumor growth is higher in certain cancer types. As illustrated below, we have also observed that CPI-0209 produced tumor regression beginning after five days of initiation of treatment in a lymphoma xenograft mouse model. The p-value for this study was less than 0.0002.

We plan to develop CPI-0209 for the treatment of solid tumors and/or hematological malignancies. We believe that mutations can render these tumor cells dependent on the activity of EZH2 and that cancer cells can use EZH2 as a resistance mechanism against therapeutic agents. We are considering developing CPI-0209 in one or more of these contexts.

**CPI-0610—BET inhibitor**

**Overview**

BET proteins are epigenetic readers that turn on specific genes by binding unique regions of the genome through their ability to read specific chemical tags on chromatin. In some instances, BET proteins turn on genes that are abnormally expressed in a variety of human cancers. BET inhibitors downregulate the expression of key genes that have the potential to cause cancer, or oncogenes, such as oncogenes like MYC or NF-κB target genes, and effectively kill many cancer cell lines in *in vitro* models. These observations resulted in the generation and clinical investigation of BET inhibitors in several cancer subtypes. We have observed clinical activity in cancer subtypes that are driven by NF-κB signaling.

CPI-0610 is a potent and selective small molecule designed to promote anti-tumor activity by selectively inhibiting the function of BET proteins to decrease the expression of abnormally expressed genes in cancer. Our epigenetics platform includes a deep understanding of the biological contexts in which BET proteins operate, including cancer pathways that are highly sensitive to CPI-0610. A combination of our preclinical studies, as well as translational insights from our first-in-human study of CPI-0610, led us to prioritize the clinical development of CPI-0610 in MF.
We are currently enrolling patients in an open-label Phase 2 clinical trial of CPI-0610 as a second-line treatment of MF, a progressive hematological cancer, as a monotherapy and in combination with ongoing ruxolitinib treatment. We are enrolling patients who have been previously treated with ruxolitinib or an investigational JAK1/JAK2 inhibitor. There are no approved products for patients with MF whose disease progresses after treatment with ruxolitinib. Preliminary data to date from this Phase 2 trial suggest CPI-0610 has the potential to offer meaningful benefits beyond the current standard of care. We have observed evidence of activity of CPI-0610 as a monotherapy and in combination with ruxolitinib, including a reduction in spleen size and symptom improvement. We have also observed improvements in red blood cell and platelet counts in three of four patients, indicating a possible improvement of bone marrow function. We aim to demonstrate proof of concept in mid-2019 and, after consultation with the FDA regarding acceptable endpoints, to initiate a pivotal clinical trial of CPI-0610.

CPI-0610 was well tolerated across three Phase 1 clinical trials in which we treated an aggregate of 138 patients with a variety of hematologic malignancies. In one of these Phase 1 trials, in which we treated patients with lymphoma, we identified the maximum tolerated dose and observed CPI-0610-mediated pharmacodynamic changes and clinical activity at a range of doses below the maximum tolerated dose.

**BET inhibition in cancer**

Abnormal BET function has been implicated in cancer through several means, including chromosomal translocation, gene amplification, and over-expression whereby oncogenic and inflammatory signals are turned on in cancer cells through altered BET activity. Of note, BET proteins control the expression of the target genes of NF-kB, a key immune signaling pathway that is abnormally activated in various diseases, including cancer and immune disorders. NF-kB signaling has been shown to be abnormally high in some hematological malignancies, such as MF and activated B cell-like diffuse large B-cell lymphoma, or ABC-DLBCL. In preclinical studies in MF, animals treated with BET inhibitors alone or in combination with a JAK2 inhibitor displayed a reduction in NF-kB signaling, improvement in bone marrow fibrosis and reduced disease burden.

In addition, BET proteins promote the generation of megakaryocytes from hematopoietic stem cells. Megakaryocytes normally function to produce platelets, which are small blood cells involved in blood clotting. We believe that the blood cells most responsible for bone marrow scarring in MF are dysfunctional megakaryocytes, which produce inflammatory molecules in part through elevated NF-kB signaling.

**Myelofibrosis**

MF is part of a collection of progressive blood cancers known as myeloproliferative neoplasms and is associated with significantly reduced quality of life and shortened survival. As the disease progresses, the bone marrow produces fewer red blood cells and within one year of diagnosis, the incidence of thrombocytopenia, a condition characterized by low platelet counts in the blood, severe anemia, a condition characterized by low red blood cell counts, and red blood cell transfusion requirements increase significantly. Among other complications, most patients with MF have enlarged spleens, as well as many other physical symptoms, including abdominal discomfort, bone pain and extreme fatigue.

Ruxolitinib, a JAK1/JAK2 inhibitor, is the current standard of care for intermediate- and high-risk MF patients. Ruxolitinib inhibits dysregulated janus kinase, or JAK, signaling that is associated with MF. There are limited treatment options for patients with MF. Patients with low red blood cell or platelets counts are ineligible to receive ruxolitinib. In addition, we believe that up to 75% of patients will not tolerate treatment with ruxolitinib or will have an insufficient response to treatment within five years of beginning treatment. Patients have poor
survival following discontinuation of therapy with ruxolitinib. We believe that CPI-0610 may enhance the activity of ruxolitinib and also may provide a therapeutic option for patients who discontinue or receive lower doses of ruxolitinib.

We believe that at least two-thirds of the 17,000 to 20,000 of the MF patients in the United States are intermediate / high risk patients and are therefore eligible for systemic treatment, including ruxolitinib. Incyte Corporation, or Incyte, which markets ruxolitinib, has estimated that 40% of these eligible patients receive treatment with ruxolitinib. There are no disease-modifying drugs approved for treatment of patients suffering from MF as first or subsequent lines of therapy.

Clinical development

Phase 2 Clinical Trial. We are evaluating CPI-0610 in an open-label Phase 2 clinical trial as a second-line treatment for MF. In this trial, we are enrolling patients in a combination arm of CPI-0610 with ruxolitinib or in a monotherapy arm. In the combination arm, we are enrolling patients who have disease progression while being treated with ruxolitinib, but who remain on ruxolitinib treatment. In this arm, we add on CPI-0610 to ruxolitinib treatment. In the monotherapy arm, we are enrolling patients who had disease progression despite prior treatment with ruxolitinib and certain patients who are not eligible for treatment with ruxolitinib. We begin treatment with each patient at a dose of 125 mg of CPI-0610 once per day in each arm of the trial and may titrate up to 225 mg, which was the maximum tolerated dose in our Phase 1 trial in patients with lymphoma. We are evaluating safety, pharmacokinetics, reduction in spleen size measured by MRI and palpation, patient-reported symptom improvement and improvements in red blood cell and platelet counts. We also plan to collect and analyze biomarkers to assess molecular features of the biology of BET proteins and myeloid cells, which may allow us to enrich for patients who are most likely to respond to treatment with CPI-0610.

As of May 25, 2018, we have enrolled four patients, consisting of two patients in the combination arm who have been treated for longer than ten months and two patients in the monotherapy arm who have been treated for longer than five months. The primary endpoints of this trial are the reduction in spleen size from baseline measured by MRI after 24 weeks of treatment and the red blood cell transfusion independence rate in patients who are transfusion dependent at baseline. Red blood cell transfusion independence is defined as absence of red blood cell transfusions and hemoglobin levels at or above 8 g/dL in the prior 12 weeks. Secondary endpoints of the trial include change in patient-reported outcomes and the frequency of red blood cell transfusions. The change in patient-reported outcomes will be evaluated using the Myelofibrosis Symptom Assessment Form Version 4.0 and the Patient Global Impression of Change.

We have observed preliminary evidence of clinical activity from the first four patients treated in this ongoing trial. Specifically, as of May 25, 2018, we have observed spleen size reduction from baseline measured by MRI in
each patient, including one patient with a spleen response greater than a 35% reduction in spleen volume from baseline, and we have also observed symptom improvement in each patient as of May 25, 2018. The figure below shows the best spleen size response for each of the four patients as of May 25, 2018 as measured by MRI. Each of these patients remains in treatment in the trial as of May 25, 2018.

We have also observed improvements in red blood cell and platelet counts in three of four patients, indicating a possible improvement in bone marrow function. One patient who required regular red blood cell transfusions prior to treatment has been transfusion independent for more than 24 weeks as of May 25, 2018. Additionally, despite not receiving red blood cell transfusions, the patient’s hemoglobin levels have increased by 2 g/dL and the patient’s platelet counts improved during this period. A second patient had very high platelet counts, or thrombocytosis, at baseline and was refractory to prior treatment with ruxolitinib, a telomerase inhibitor, pembrolizumab and hydroxurea, which is a drug specifically intended to address thrombocytosis, among other conditions. The patient’s thrombocytosis was accompanied by severe headaches requiring multiple hospital admissions prior to beginning treatment with CPI-0610. After the first cycle of treatment with CPI-0610, the patient’s platelet counts normalized and have remained normal for more than 20 weeks as of May 25, 2018. The patient’s severe headaches were resolved after platelets normalized. As of May 25, 2018, there have been no serious adverse events reported in the trial.
The figure below presents, as of May 25, 2018, the platelet counts and hemoglobin levels during the trial of the patient who required regular red blood cell transfusions prior to treatment, including during the period following the time in which the patient became transfusion independent.

**Transfusion dependent patient treated with CPI-0610 and ruxolitinib**

![Graph showing platelet counts and hemoglobin levels during treatment](image)

The figure below presents, as of May 25, 2018, platelet counts and hemoglobin levels during the trial of the patient who had thrombocytosis at baseline.

**Thrombocytosis patient treated with CPI-0610 monotherapy**

![Graph showing platelet counts and hemoglobin levels during treatment](image)

*Phase 1 Clinical Trial.* We evaluated CPI-0610 in three Phase 1 clinical trials in an aggregate of 138 patients with hematological malignancies. We treated 64 patients with lymphoma, 44 patients with acute myelogenous leukemia and myelodysplastic syndromes and 30 patients with multiple myeloma. In each trial, we evaluated CPI-0610 administered daily for two weeks followed by one week with no treatment. CPI-0610 was well tolerated in each trial.
The primary endpoint of each trial was to establish the safety of CPI-0610 as a single agent by evaluating the frequency of dose-limiting toxicities associated with treatment with CPI-0610 for 21 days. In our trial in patients with lymphoma, we determined 225 mg of CPI-0610 once daily to be the maximum tolerated dose with the dose-limiting toxicity being thrombocytopenia, which is an on-target toxicity associated with BET inhibitors. Thrombocytopenia was reported in 32% of the patients treated in all three trials. The platelet numbers recovered in most patients who experienced thrombocytopenia after one week off treatment of CPI-0610. One case of thrombocytopenia was determined to be a treatment-related serious adverse event. There were 29 treatment-related serious adverse events in the three trials, with the most frequent being diarrhea (five cases) and vomiting (two cases), hypertension (two cases) and pleuritic pain (two cases). The most frequent reported treatment-related adverse events included nausea, fatigue, decreased appetite, diarrhea, vomiting, dysgeusia and anemia.

In the dose-seeking trial of CPI-0610 in patients with lymphoma there were 38 evaluable patients and we observed five objective responses, consisting of two complete responses and three partial responses under the 2007 Revised Response Criteria for Malignant Lymphoma (Cheson criteria). Each response was validated by independent central review. We also observed a reduction in tumor size in 17 patients who did not qualify as objective responses. One patient who had a complete response underwent curative bone marrow transplantation after treatment with CPI-0610. Moreover, three of the seven patients with ABC-DLBCL, a cancer subtype characterized by high levels of NF-kB signaling, who were treated at therapeutic levels (at least 125 mg of CPI-0610) experienced an objective response, consisting of one complete response and two partial responses.

We observed dose-dependent increases in CPI-0610 exposure and evidence of target engagement at multiple dose levels in the lymphoma trial. In the blood of treated lymphoma patients, the NF-kB target gene Interleukin 8, or IL-8, was the gene most tightly associated with CPI-0610 exposure among the several genes tested. Of the inflammatory molecules known to be elevated in patients with MF, high expression levels of IL-8 have previously been shown to be associated with reduced survival when compared to that of patients with low expression levels of IL-8. These collective observations increased our confidence in the rationale for evaluating CPI-0610 in patients with MF.

**Correlation between IL-8 expression and CPI-0610 exposure in lymphoma patients**

![Correlation between IL-8 expression and CPI-0610 exposure in lymphoma patients](image)

**Discovery programs**

We are currently advancing several programs against additional epigenetic regulators focused on the tumor and the immune microenvironment. Our immuno-epigenetics efforts are focused on pathways relevant for immune cell re-programming or increasing tumor immunogenicity to drive tumor rejection. We remain committed to advancing programs that normalize abnormal cell gene expression within cancer cells.
Sales and marketing

In light of our stage of development, we have not yet established a commercial organization or distribution capabilities. We have retained worldwide commercial rights for our product candidates. If our product candidates receive marketing approval, we plan to commercialize them in the United States with our own focused, specialty sales force.

Manufacturing

We do not have any manufacturing facilities or personnel. We currently rely, and expect to continue to rely, on third parties for the manufacture of our product candidates for preclinical and clinical testing, as well as for commercial manufacture if our product candidates receive marketing approval. We have entered into clinical supply agreements with contract manufacturers.

We obtain materials for CPI-1205 and CPI-0610 from multiple third-party manufacturers. We engage separate third-party manufacturers for the finish-and-fill services for CPI-1205 and CPI-0610. For CPI-0209, we have identified and are qualifying a third-party manufacturer to produce the active pharmaceutical ingredient and we intend to identify and qualify a third-party manufacturer for the finish-and-fill services.

All of our product candidates are small molecules and are manufactured in reliable and reproducible synthetic processes from readily available starting materials. The chemistry is amenable to scale up and does not require unusual equipment. We expect to continue to develop product candidates that can be produced cost-effectively at contract manufacturing facilities.

Competition

The biotechnology and pharmaceutical industries are characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary products. While we believe that our technologies, knowledge, experience and scientific resources provide us with competitive advantages, we face 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 commercialize will compete with existing therapies and new therapies that may become available in the future.

There are a large number of companies developing or marketing treatments for cancer, including many large pharmaceutical and biotechnology companies. In addition, many companies are developing cancer therapies that work by targeting epigenetic mechanisms, including through EZH2 and BET inhibition.

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 products than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industry 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 registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

The key competitive factors affecting the success of all of our therapeutic product candidates, if approved, are likely to be their efficacy, safety, convenience, price, the effectiveness of companion diagnostics in guiding the use of related therapeutics, the level of generic competition and the availability of reimbursement from government and other third-party payors.
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 more convenient or are less expensive than any products that we may develop. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. 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 that broadly address these indications are currently on the market for 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 competitive generic products.

The most common methods of treating patients with cancer are surgery, radiation and drug therapy. There are a variety of available drug therapies marketed for cancer. In many cases, these drugs are administered in combination to enhance efficacy. While our product candidates may compete with many existing drug and other therapies, to the extent they are ultimately used in combination with or as an adjunct to these therapies, our product candidates will not be competitive with them. Some of the currently approved drug therapies are branded and subject to patent protection, and others are available on a generic basis. Many of these approved drugs are well established therapies and are widely accepted by physicians, patients and third-party payors.

In addition to currently marketed therapies, there are also a number of products in late-stage clinical development to treat cancer. These products in development may provide efficacy, safety, convenience and other benefits that are not provided by currently marketed therapies. As a result, they may provide significant competition for any of our product candidates for which we obtain marketing approval.

If our lead product candidates are approved for the indications for which we are currently undertaking clinical trials, they will compete with the therapies and currently marketed drugs discussed below.

**CPI-1205 / mCRPC**

CPI-1205 could face competition from ARS inhibitors, chemotherapies and products with alternative mechanisms. Competing ARS inhibitors include enzalutamide (Xtandi), which is marketed by Pfizer and Astellas Pharma, and abiraterone acetate (Zytiga), which is marketed by Janssen. In February 2018, the FDA approved apalutademide (Erleada), a third-generation ARS inhibitor developed by Janssen, for the treatment of non-metastatic CRPC, which refers to a disease state when the cancer no longer responds to medical or surgical treatments that lower testosterone but has not yet been discovered in other parts of the body. Bayer AG is conducting Phase 3 clinical trials with darolutamide, a third-generation ARS inhibitor in non-metastatic CRPC and in metastatic hormone-sensitive prostate cancer. Additionally, each of these products is a potential alternative for CPI-1205-based combination therapy for patients whose disease has progressed after initial treatment with ARS inhibitor.

Janssen filed for regulatory approval of abiraterone acetate in combination with androgen deprivation therapy in hormone-naïve metastatic prostate cancer in 2017. Pfizer and Astellas completed a Phase 3 trial with enzalutamide in non-metastatic castration-resistant prostate cancer, and the FDA granted priority review of a supplemental new drug application based on these data in March 2018.

Competing chemotherapies include docetaxel (Taxotere), cabazitaxel (Jevtana) and sipuleucel-T (Provenge), which each provide an option for patients who may not wish to continue treatment with an ARS inhibitor.

CPI-1205 may also face competition from products with alternative mechanisms of action including poly-ADP-ribose polymerase, or PARP, inhibitors, targeted therapies, including polo-like kinase inhibitors and
protein kinase B, or AKT, inhibitors, immune checkpoint inhibitors and other immunotherapy-based mechanisms. Several companies are conducting clinical development of PARP inhibitors in prostate cancer including AstraZeneca plc, Clovis Oncology, Pfizer and Janssen/Tesaro Inc.

CPI-1205 could also face competition from products targeting similar or alternative epigenetic mechanisms. Zenith Epigenetics Ltd and GlaxoSmithKline plc are each testing BET inhibitors in Phase 1 trials in patients with mCRPC (ZEN-3694 and GSK 525762, respectively). Pfizer recently initiated clinical development of an EZH2 inhibitor, PF-06821497, in a Phase 1b/2 trial that includes a combination arm with enzalutamide in mCRPC. CellCentric Ltd. is developing CCS1477, a P300/CBP inhibitor, and is conducting Phase 1 clinical trials in prostate cancer. Epizyme, Inc. is developing tazemetostat, an EZH2 inhibitor, and is conducting Phase 2 clinical trials in solid tumors and hematological malignancies.

CPI-0610 / Myelofibrosis

Ruxolitinib, a JAK1/JAK2 inhibitor developed and marketed by Incyte was approved by the FDA in 2011 as a first-line treatment for high- and intermediate-risk patients. There are no products approved by the FDA or regulatory authorities outside the United States as a second-line treatment for patients who no longer respond to or tolerate treatment with ruxolitinib. Many companies are developing product candidates or combination regimens that may compete with CPI-0610, if approved, as a combination regimen with ruxolitinib or as monotherapy in patients who have received prior ruxolitinib therapy.

Incyte is developing treatments for second-line therapy in patients with MF that combine ruxolitinib with PI3 kinase inhibitors, provirus integration site for moloney murine leukemia virus kinase inhibitors, and BET inhibitors. Incyte may develop these combinations in a co-formulated oral dosage form, which could increase the convenience of these combination regimens.

There are several other companies developing JAK1/JAK2 inhibitors as a first-line and second-line treatment of patients with MF. Celgene Corporation, or Celgene, acquired fedratinib in January 2017 as part of its acquisition of Impact Biosciences, Inc. Fedratinib has been evaluated in clinical trials as first- and second-line treatments for MF. Celgene has disclosed that they intend to file for a regulatory approval of fedratinib as a first-line treatment in the middle of 2018. Celgene has also disclosed the potential to combine fedratinib with other products as second-line treatment. CTI Biopharma Corp. has filed an application for approval of pacritinib in the European Union and is conducting an additional Phase 3 trial in MF patients with thrombocytopenia in the United States. Nippon Shinyaku is conducting a Phase 2 trial with NS-018 in patients with MF.

CPI-0610 could face competition from products with different biological targets that are in development as a therapeutic option for patients with MF with prior exposure to ruxolitinib, including as a monotherapy or in combination with ruxolitinib. These products include kinase inhibitors, telomerase inhibitors and other epigenetic inhibitors. Geron Corporation and Janssen are conducting a Phase 2 trial evaluating itemetelstat, a telomerase inhibitor, patients with MF who have relapsed after or are refractory to prior treatment with a JAK inhibitor. Imago BioSciences, Inc. is conducting a Phase 1 trial of IMG-7289 with an LSD1 inhibitor, which is an epigenetic target, in patients with MF. MEI Pharma, Inc. and Helsinn are conducting a Phase 2 trial of pracinostat, a histone deacetylase inhibitor in MF patients on treatment with ruxolitinib.

We are aware of several companies that are developing BET inhibitors, including AbbVie, Bristol Myers Squibb, Celgene, GlaxoSmithKline plc, F. Hoffmann-La Roche AG, or Roche, Incyte, SignalRx and Zenith Epigenetics Ltd. Incyte is conducting a Phase 1 dose-escalation clinical trial with INCB054329, a BET inhibitor.
We strive to protect and enhance the proprietary technology, inventions, and improvements that are commercially important to the development of our business, including by seeking, maintaining and defending patent rights, whether developed internally or licensed from third parties. We also rely on trade secrets, know-how, continuing technological innovation and in-licensing opportunities to develop, strengthen and maintain our proprietary position in the field of epigenetic small molecule drug discovery.

Our future commercial success depends, in part, on our ability to: obtain and maintain patent and other proprietary protection for commercially important technology, inventions and know-how related to our business; defend and enforce our patents; preserve the confidentiality of our trade secrets; and operate without infringing, misappropriating or violating the valid and enforceable patents and proprietary rights of third parties. Our ability to stop third parties from making, using, selling, offering to sell or importing our products may depend on the extent to which we have rights under valid and enforceable patents or trade secrets that cover these activities. With respect to both our owned and licensed intellectual property, we cannot be sure that patents will issue with respect to any of our owned or licensed pending patent applications or with respect to any patent applications that we or our licensors may file in the future, nor can we be sure that any of our owned or licensed patents or any patents that may be issued in the future to us or our licensors will be commercially useful in protecting our product candidates and methods of manufacturing the same. Moreover, other than for CPI-1205 and CPI-0610, we have generally not sought, and may be unable to obtain, patent protection for certain of our product candidates generally as well as with respect to certain indications. See “Risk factors—Risks related to our intellectual property” for a more comprehensive description of risks related to our intellectual property.

We generally file patent applications directed to our key programs, including CPI-1205, CPI-0209 and CPI-0610, in an effort to establish our intellectual property positions regarding new compositions relating to these programs as well as uses of these and similar compositions in the treatment of relevant diseases. We also seek patent protection with respect to methods of making these compositions and to biomarkers that may be useful in establishing or monitoring the efficacy of these compositions in patients. As of May 25, 2018, we owned 18 issued or allowed U.S. patents, eight U.S. pending non-provisional patent applications, one pending reissue application, 133 issued or allowed foreign patents, 37 foreign pending patent applications, one pending Patent Cooperation Treaty, or PCT, application and four U.S. provisional patent applications relating to EZH2 and bromodomain related targets. The foreign issued patents and patent applications are in a number of jurisdictions, including Australia, Brazil, Canada, Chile, Colombia, Eurasia, Europe, Hong Kong, India, Indonesia, Israel, Japan, Korea, Malaysia, Mexico, New Zealand, Philippines, Singapore, and South Africa for CPI-1205 and including Australia, Brazil, Canada, Eurasia, Europe, Hong Kong, India, Israel, Japan, Korea, Mexico, New Zealand, Singapore, and South Africa for CPI-0610. Additionally, our epigenetics platform is not protected by any patented intellectual property.

The intellectual property portfolios for our most advanced programs as of May 25, 2018, are summarized below. Prosecution is a lengthy process, during which the scope of the claims initially submitted for examination by the USPTO can be significantly narrowed by the time they issue, if they issue at all. We expect this could be the case with respect to some of our pending patent applications referred to below.

**CPI-1205 / EZH2 inhibitor program**

The intellectual property portfolio for our CPI-1205 program includes patents and applications directed to compositions of matter generically and specifically covering CPI-1205 and related EZH2 inhibitors, as well as to methods for using and making these novel compositions. As of May 25, 2018, we owned five issued or allowed U.S. patents, two issued or allowed European Patent Office patents, four U.S. pending non-provisional patent applications, one pending U.S. reissue application, approximately 72 foreign patents and patent applications in a
number of other jurisdictions, one pending PCT application, and two U.S. provisional patent applications relating to our CPI-1205 program. The U.S. or ex-U.S. issued patents or patents issuing from these pending applications, if any, for our CPI-1205 program are projected to have statutory expiration dates between February 2033 to January 2038, excluding any additional term for patent term adjustments or patent term extensions.

**CPI-0209 / second-generation EZH2 inhibitor program**

We own one pending U.S. provisional patent application covering the composition of matter and methods of use of CPI-0209. However, we do not currently own or in-license any issued patents or non-provisional patent applications covering our CPI-0209 product candidate. Our provisional patent application is not eligible to become an issued patent until, among other things, we file a non-provisional patent application within 12 months of filing the provisional application. If we do not timely file any non-provisional patent applications relating to our provisional patent application, we may lose our priority date with respect to our provisional patent application and any patent protection on the inventions disclosed in our provisional patent application. While we intend to timely file non-provisional patent applications relating to our provisional patent application, we cannot predict whether any of our future patent applications for CPI-0209 or any other future product candidates will result in the issuance of patents that effectively protect CPI-0209 and any other future product candidates, or if any of our or our licensors’ issued patents will effectively prevent others from commercializing competitive products. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing or in some cases not at all until they are issued as a patent. Therefore, we and our licensors cannot be certain that we were the first to make the inventions claimed in our licensed patents, patents we own in the future, or pending patent applications, or that we or our licensors were the first to file for patent protection of such inventions.

**CPI-0610 / BET inhibitor program**

The intellectual property portfolio for our CPI-0610 program includes patents and applications directed to compositions of matter generically and specifically covering CPI-0610 and related BET inhibitors, as well as to methods for using and making these novel compositions. As of May 25, 2018, we owned three issued or allowed U.S. patents, one issued or allowed European Patent Office patent, one pending European Patent Office patent application, and approximately 51 foreign patents and patent applications in a number of other jurisdictions relating to our CPI-0610 program. The U.S. or ex-U.S. issued patents or patents issuing from these pending applications, if any, for our CPI-0610 program are projected to have a statutory expiration date from December 2031 to June 2035, excluding any additional term for patent term adjustments or patent term extensions.

In addition to patent protection, we rely upon unpatented trade secrets and confidential know-how and continuing technological innovation to develop and maintain our competitive position. However, trade secrets and confidential know-how are difficult to protect. We seek to protect our proprietary information, in part, using confidentiality agreements with any future collaborators, scientific advisors, employees and consultants, and invention assignment agreements with our employees. We also have agreements requiring assignment of inventions with selected consultants, scientific advisors and collaborators. These agreements may not provide meaningful protection. These agreements may also be breached, and we may not have an adequate remedy for any such breach. In addition, our trade secrets and/or confidential know-how may become known or be independently developed by a third party, or misused by any collaborator to whom we disclose such information. Despite any measures taken to protect our intellectual property, unauthorized parties may attempt to copy aspects of our products or to obtain or use information that we regard as proprietary. Although we take steps to protect our proprietary information, third parties may independently develop the same or similar proprietary information or may otherwise gain access to our proprietary information. As a result, we may be unable to
meaningfully protect our trade secrets and proprietary information. See “Risk factors—Risks related to our intellectual property” for a more comprehensive description of risks related to our intellectual property.

License and collaboration agreements

License and collaboration agreement with Genentech

In January 2012, we entered into a license and collaboration agreement with Genentech, Inc. and F. Hoffmann-La Roche Ltd, collectively referred to as Genentech. We refer to this agreement as the collaboration agreement. Our performance obligations under the collaboration agreement are complete.

Under the collaboration agreement, we and Genentech conducted a three-year research collaboration program to discover and validate certain epigenetic targets, or the Targets, and to discover and develop compounds suitable for clinical development that bind to and modulate those Targets. Genentech had the right to obtain the exclusive right to develop product candidates that target certain of the Targets. We refer to any such licensed product as a Genentech Licensed Product. In December 2014, Genentech selected three Targets, and acquired such exclusive rights with respect to these targets. In May 2018, Genentech notified us that it was terminating, effective in August 2018, its exclusive rights to two of the three selected Targets. Upon such termination, we will be permitted to conduct research and development activities with respect to those two Targets. We refer to the remaining Target for which Genentech holds exclusive rights as the Genentech Target. The Genentech Target is not currently a target that is part of our clinical, preclinical or discovery programs.

Genentech is obligated to use commercially reasonable efforts to develop at least one product for the Genentech Target.

Under the collaboration agreement, we granted an exclusive, sublicensable license to Genentech under certain of our intellectual property to make, have made, use, sell, offer for sale, import, research, discover and develop the Genentech Target, and certain compounds and products that bind to and modulate the Genentech Target. We refer to this license as the Genentech Target License. We also granted Genentech a non-exclusive license under certain of our intellectual property, in order for Genentech to make, use and import compounds created during the research collaboration, or provided by us to Genentech during the research collaboration, for Genentech's internal research purposes relating to biological targets that are not Targets.

Genentech paid us $40 million as an upfront payment under the collaboration agreement and provided additional funds for our research activities under the research collaboration. With respect to the Genentech Target, the collaboration agreement provides for milestone payments and future sales-based milestones and royalties payable to us by Genentech upon achievement of specified milestones and sales targets by Genentech. Specifically, for the first Genentech Licensed Product to achieve a milestone for the Genentech Target, Genentech has agreed to pay us up to an aggregate of $208 million for certain preclinical and clinical milestones, regulatory approval and sales milestones, and certain other sales milestones if the Genentech Licensed Product is covered by a valid claim of an issued patent in certain of our intellectual property. To date, Genentech has paid us $0.8 million for the achievement of a preclinical milestone with respect to one Genentech Target. We did not receive any milestone payments or royalties in the years ended December 31, 2016 and 2017 or in the three months ended March 31, 2018.

Genentech is also obligated to pay us tiered royalties ranging from mid-single digits to low-teen percentages on net sales of Genentech Licensed Products if covered by a valid claim of an issued patent in certain of our intellectual property in the country of sale, and a low-single digit royalty on net sales of Genentech Licensed Products if covered only by certain pending patent applications in certain of our intellectual property in the country of sale. These royalties are subject to reduction or elimination in certain circumstances. Genentech's royalty obligations continue on a Genentech Licensed Product-by-Genentech Licensed Product and country-by-country basis until, as applicable, (i) if the Genentech Licensed Product is covered by a valid issued claim of a
license patent, the expiration of the last to expire valid claim covering the Genentech Licensed Product in the country of sale or (ii) if the Genentech Licensed Product is no longer covered by such a pending licensed patent application in the country of sale. Based on the current status of the licensed patents and patent applications, any such payments are not likely to extend beyond May 2037. Following Genentech’s termination of its exclusive rights to two of the three selected Targets in May 2018, we are obligated to pay Genentech a low-single digit royalty on net sales of any licensed products we develop that target such terminated Targets and are covered by a valid issued claim in the intellectual property jointly developed by us and Genentech during the research collaboration.

The collaboration agreement will expire when all the payment obligations under the collaboration agreement expire. We and Genentech may each terminate the collaboration agreement in whole, or with respect to a country, Genentech Target or a Genentech Licensed Product, if the other party materially breaches the collaboration agreement and does not cure the breach within a specified time period. Genentech may terminate the collaboration agreement for convenience in whole, or with respect to a country, Genentech Target or Genentech Licensed Product, on 90 days’ prior written notice. We and Genentech may each terminate the collaboration agreement if the other party undergoes certain bankruptcy events. Genentech may terminate the collaboration agreement as a whole, or with respect to a Genentech Target, Genentech Licensed Product or country for our uncured material breach or bankruptcy event, the licenses we granted to Genentech would become irrevocable and, instead of paying the milestones and royalties described above, Genentech would pay us a low single-digit royalty on net sales of the Genentech Licensed Products with respect to which the collaboration agreement was terminated if such Genentech Licensed Products are covered by a valid claim of an issued patent in certain of our intellectual property in the terminated countries, which royalties are subject to reduction or elimination in certain circumstances.

In January 2012, we entered into an option agreement with Genentech under which we granted Genentech an option to acquire all of our equity interests. In August 2015, Genentech notified us that it elected not to exercise the option and the option is no longer exercisable.

**Research, development and commercialization agreement with the Leukemia & Lymphoma Society**

In July 2012, we entered into a research, development and commercialization agreement with the Leukemia & Lymphoma Society, or LLS. We refer to the agreement as the LLS Agreement. Under the LLS Agreement, LLS agreed to provide funding for the development of a compound targeted toward certain tandem bromodomain-containing proteins, designed for and researched for use in the treatment of lymphoma, myelodysplastic syndrome, acute myelogenous leukemia or multiple myeloma, or the Field, in accordance with an agreed-upon budget and milestones, which we call the research program. The LLS Agreement initially required us to perform the development activities on a compound that we are no longer developing. We and LLS amended the LLS Agreement in April 2013 to allow us to propose alternative compounds to LLS and for LLS to decide whether it would fund the research program for an alternative compound. We proposed CPI-0610 and LLS agreed to fund CPI-0610 as the alternative compound in June 2013. We and LLS further amended the LLS Agreement in June 2013, June 2014 and March 2016 to reflect changes to the research program milestones.

LLS has agreed pay us up to $7.5 million, or the LLS Funding, toward the costs of the research program. We may use such funding solely to pay or reimburse expenses of the research program in accordance with an agreed-upon budget. As of March 31, 2018, LLS has paid us $7.2 million and we expect that the milestones which would trigger the remaining $0.3 million will be achieved in 2018 and 2019. We are obligated, and have to date, provided funding that matches LLS’s funding to support the research program.

We are obligated to use commercially reasonable efforts to conduct the research program substantially in accordance with an agreed-upon research plan with the goal of developing a LLS Product for commercial sale. Once the research program is complete, we are obligated to use, at our own expense, commercially reasonable
efforts to develop any at least one LLS Product in the Field in each of the United States, France, Germany, Italy, Spain, the United
Kingdom or Japan, or the major market countries, and, following receipt of regulatory approval for at least one LLS Product in any major
market country, to commercialize the LLS Product in the Field in such country. If we fail to meet the foregoing obligation, then, under
certain circumstances, LLS may terminate the agreement and LLS may exercise the exclusive, sublicensable, worldwide license we
granted LLS in and to certain of our intellectual property to develop and commercialize CPI-0610.

We are obligated to pay to LLS up to $25 million, which would be payable in variable portions based on our execution of any agreement to
license or permanently transfer rights to CPI-0610 or a LLS Product to an unaffiliated third party, on the closing of a change of control of
our company, or on the receipt of regulatory approval in certain of the major market countries, which we refer to as the Payment Cap
Payments. Our payment obligations to LLS continue until satisfied and otherwise only terminate upon a termination of the LLS Agreement
by us in the event of a material breach by LLS. The LLS Agreement expires when there are no longer any payments obligations owing
from one party to the other with respect to any of these provisions.

We and LLS may terminate the LLS agreement for a material breach by the other party that is not cured within a specified period. LLS
may terminate the LLS Agreement if we are debarred by the FDA or excluded from health care programs, or knowingly use for any
services under the LLS Agreement any individual or entity who is debarred or excluded, or if we undergo certain bankruptcy events. If LLS
terminates the LLS Agreement because we are debarred by the FDA or excluded from health care programs, or knowingly use the
services of any individual or entity who is debarred or excluded for any services under the LLS Agreement, or we materially breach the
LLS Agreement and do not cure within the specified time period, we are obligated to repay LLS the LLS Funding and, if we continue
development of the LLS Product thereafter, we also must pay LLS the Payment Cap Payments.

**Government regulation and product approvals**

Government authorities in the United States, at the federal, state and local level, and in other countries and jurisdictions, including the
European Union, extensively regulate, among other things, the research, development, testing, manufacture, pricing, quality control,
approval, packaging, storage, recordkeeping, labeling, advertising, promotion, distribution, marketing, post-approval monitoring and
reporting, and import and export of biopharmaceutical products. The processes for obtaining marketing approvals in the United States and
in foreign countries and jurisdictions, along with compliance with applicable statutes and regulations and other regulatory authorities,
require the expenditure of substantial time and financial resources.

**Approval and regulation of drugs in the United States**

In the United States, drug products are regulated under the Federal Food, Drug and Cosmetic Act, or FDCA, and applicable implementing
regulations and guidance. The failure of an applicant to comply with the applicable regulatory requirements at any time during the product
development process, including non-clinical testing, clinical testing, the approval process or post-approval process, may result in delays to
the conduct of a study, regulatory review and approval and/or administrative or judicial sanctions. These sanctions may include, but are
not limited to, the FDA's refusal to allow an applicant to proceed with clinical trials, refusal to approve pending applications, license
suspension or revocation, withdrawal of an approval, imposition of a clinical hold, issuance of warning letters and other types of letters,
adverse publicity, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of
government contracts, restitution, disgorgement of profits or civil or criminal investigations and penalties brought by the FDA or
Department of Justice, or DOJ, or other government entities, including state agencies.
An applicant seeking approval to market and distribute a new drug in the United States generally must satisfactorily complete each of the following steps before the product candidate will be approved by the FDA:

- preclinical testing including laboratory tests, animal studies and formulation studies, which must be performed in accordance with the FDA's good laboratory practice, or GLP, regulations and standards;
- submission to the FDA of an IND for human clinical testing, which must become effective before human clinical trials may begin;
- approval by an independent institutional review board, or IRB, representing each clinical site before each clinical trial may be initiated;
- performance of adequate and well-controlled human clinical trials to establish the safety, potency and purity of the product candidate for each proposed indication, in accordance with current good clinical practices, or GCP;
- preparation and submission to the FDA of a new drug application, or NDA, for a drug product which includes not only the results of the clinical trials, but also, detailed information on the chemistry, manufacture and quality controls for the product candidate and proposed labelling for one or more proposed indication(s);
- review of the product candidate by an FDA advisory committee, where appropriate or if applicable;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities, including those of third parties, at which the product candidate or components thereof are manufactured to assess compliance with current good manufacturing practices, or cGMP, requirements and to assure that the facilities, methods and controls are adequate to preserve the product’s identity, strength, quality and purity;
- satisfactory completion of any FDA audits of the non-clinical and clinical trial sites to assure compliance with GCP and the integrity of clinical data in support of the NDA;
- payment of user fees and securing FDA approval of the NDA to allow marketing of the new drug product; and
- compliance with any post-approval requirements, including the potential requirement to implement a Risk Evaluation and Mitigation Strategies, or REMS, and the potential requirement to conduct any post-approval studies required by the FDA.

Preclinical studies

Before an applicant begins testing a product candidate with potential therapeutic value in humans, the product candidate enters the preclinical testing stage, including in vitro and animal studies to assess the safety and activity of the drug for initial testing in humans and to establish rationale for therapeutic use. Preclinical tests include laboratory evaluations of product chemistry, formulation and stability, as well as other studies to evaluate, among other things, the toxicity of the product candidate. The conduct of the preclinical tests and formulation of the compounds for testing must comply with federal regulations and requirements, including GLP regulations and standards. The results of the preclinical tests, together with manufacturing information, analytical data, any available clinical data or literature and plans for clinical trials, among other things, are submitted to the FDA as part of an IND. Some long-term preclinical testing, such as animal tests of reproductive adverse events and carcinogenicity, and long-term toxicity studies, may continue after the IND is submitted.

The IND and IRB processes

An IND is an exemption from the FDCA that allows an unapproved product candidate to be shipped in interstate commerce for use in an investigational clinical trial and a request for FDA authorization to administer such
investigational product to humans. Such authorization must be secured prior to interstate shipment and administration of any product candidate that is not the subject of an approved NDA. In support of a request for an IND, applicants must submit a protocol for each clinical trial and any subsequent protocol amendments must be submitted to the FDA as part of the IND. In addition, the results of the preclinical tests, together with manufacturing information, analytical data, any available clinical data or literature and plans for clinical trials, among other things, must be submitted to the FDA as part of an IND. The FDA requires a 30-day waiting period after the filing of each IND before clinical trials may begin. This waiting period is designed to allow the FDA to review the IND to determine whether human research subjects will be exposed to unreasonable health risks. At any time during this 30-day period, or thereafter, the FDA may raise concerns or questions about the conduct of the trials as outlined in the IND and impose a clinical hold or partial clinical hold. In this case, the IND sponsor and the FDA must resolve any outstanding concerns before clinical trials can begin.

Following commencement of a clinical trial under an IND, the FDA may also place a clinical hold or partial clinical hold on that trial. A clinical hold is an order issued by the FDA to the sponsor to delay a proposed clinical investigation or to suspend an ongoing investigation. A partial clinical hold is a delay or suspension of only part of the clinical work requested under the IND. For example, a specific protocol or part of a protocol is not allowed to proceed, while other protocols may do so. No more than 30 days after imposition of a clinical hold or partial clinical hold, the FDA will provide the sponsor a written explanation of the basis for the hold. Following issuance of a clinical hold or partial clinical hold, an investigation may only resume after the FDA has notified the sponsor that the investigation may proceed. The FDA will base that determination on information provided by the sponsor correcting the deficiencies previously cited or otherwise satisfying the FDA that the investigation can proceed.

A sponsor may choose, but is not required, to conduct a foreign clinical study under an IND. When a foreign clinical study is conducted under an IND, all FDA IND requirements must be met unless waived. When a foreign clinical study is not conducted under an IND, the sponsor must ensure that the study complies with certain regulatory requirements of the FDA in order to use the study as support for an IND or application for marketing approval. Specifically, on April 28, 2008, the FDA amended its regulations governing the acceptance of foreign clinical studies not conducted under an investigational new drug application as support for an IND or a new drug application. The final rule provides that such studies must be conducted in accordance with GCP including review and approval by an independent ethics committee, or IEC, and informed consent from subjects. The GCP requirements in the final rule encompass both ethical and data integrity standards for clinical studies. The FDA's regulations are intended to help ensure the protection of human subjects enrolled in non-IND foreign clinical studies, as well as the quality and integrity of the resulting data. They further help ensure that non-IND foreign studies are conducted in a manner comparable to that required for IND studies.

In addition to the foregoing IND requirements, an IRB representing each institution participating in the clinical trial must review and approve the plan for any clinical trial before it commences at that institution, and the IRB must conduct continuing review and reapprove the study at least annually. The IRB must review and approve, among other things, the study protocol and informed consent information to be provided to study subjects. An IRB must operate in compliance with FDA regulations. An IRB can suspend or terminate approval of a clinical trial at its institution, or an institution it represents, if the clinical trial is not being conducted in accordance with the IRB’s requirements or if the product candidate has been associated with unexpected serious harm to patients.

Additionally, some trials are overseen by an independent group of qualified experts organized by the trial sponsor, known as a data safety monitoring board or committee, or DSMB. This group provides authorization as to whether or not a trial may move forward at designated check points based on access that only the group maintains to available data from the study. Suspension or termination of development during any phase of clinical trials can occur if it is determined that the participants or patients are being exposed to an
unacceptable health risk. Other reasons for suspension or termination may be made by us based on evolving business objectives and/or competitive climate.

Information about clinical trials must be submitted within specific timeframes to the National Institutes of Health, or NIH, for public dissemination on its ClinicalTrials.gov website.

**Human clinical trials in support of an NDA**

Clinical trials involve the administration of the investigational product candidate to human subjects under the supervision of a qualified investigator in accordance with GCP requirements which include, among other things, the requirement that all research subjects provide their informed consent in writing before their participation in any clinical trial. Clinical trials are conducted under written clinical trial protocols detailing, among other things, the objectives of the study, inclusion and exclusion criteria, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated.

Human clinical trials are typically conducted in three sequential phases, but the phases may overlap or be combined. Additional studies may also be required after approval.

**Phase 1** clinical trials are initially conducted in a limited population to test the product candidate for safety, including adverse effects, dose tolerance, absorption, metabolism, distribution, excretion and pharmacodynamics in healthy humans or in patients. During Phase 1 clinical trials, information about the investigational drug product’s pharmacokinetics and pharmacological effects may be obtained to permit the design of well-controlled and scientifically valid Phase 2 clinical trials.

**Phase 2** clinical trials are generally conducted in a limited patient population to identify possible adverse effects and safety risks, evaluate the efficacy of the product candidate for specific targeted indications and determine dose tolerance and optimal dosage. Multiple Phase 2 clinical trials may be conducted by the sponsor to obtain information prior to beginning larger and more costly Phase 3 clinical trials. Phase 2 clinical trials are well controlled, closely monitored and conducted in a limited patient population.

**Phase 3** clinical trials proceed if the Phase 2 clinical trials demonstrate that a dose range of the product candidate is potentially effective and has an acceptable safety profile. Phase 3 clinical trials are undertaken within an expanded patient population to further evaluate dosage, provide substantial evidence of clinical efficacy and further test for safety in an expanded and diverse patient population at multiple, geographically dispersed clinical trial sites. A well-controlled, statistically robust Phase 3 clinical trial may be designed to deliver the data that regulatory authorities will use to decide whether or not to approve, and, if approved, how to appropriately label a drug: such Phase 3 studies are referred to as “pivotal.”

In some cases, the FDA may approve an NDA for a product candidate but require the sponsor to conduct additional clinical trials to further assess the product candidate’s safety and effectiveness after approval. Such post-approval trials are typically referred to as Phase 4 clinical trials. These studies are used to gain additional experience from the treatment of a larger number of patients in the intended treatment group and to further document a clinical benefit in the case of drugs approved under accelerated approval regulations. Failure to exhibit due diligence with regard to conducting Phase 4 clinical trials could result in withdrawal of approval for products.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA and more frequently if serious adverse events occur. In addition, IND safety reports must be submitted to the FDA for any of the following: serious and unexpected suspected adverse reactions; findings from other studies or animal or in vitro testing that suggest a significant risk in humans exposed to the product; and any clinically important increase in the case of a serious suspected adverse reaction over that listed in the
protocol or investigator brochure. Phase 1, Phase 2 and Phase 3 clinical trials may not be completed successfully within any specified period, or at all. Furthermore, the FDA or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution, or an institution it represents, if the clinical trial is not being conducted in accordance with the IRB’s requirements or if the product has been associated with unexpected serious harm to patients. The FDA will typically inspect one or more clinical sites to assure compliance with GCP and the integrity of the clinical data submitted.

Concurrent with clinical trials, companies often complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the drug as well as 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 drug candidate and, among other things, must develop methods for testing the identity, strength, quality, purity, and potency of the final drug. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the drug candidate does not undergo unacceptable deterioration over its shelf life.

**Review and approval of an NDA**

In order to obtain approval to market a drug product in the United States, a marketing application must be submitted to the FDA that provides sufficient data establishing the safety, purity and potency of the proposed drug product for its intended indication. The application includes all relevant data available from pertinent preclinical and clinical trials, including negative or ambiguous results as well as positive findings, together with detailed information relating to the product’s chemistry, manufacturing, controls and proposed labeling, among other things. Data can come from company-sponsored clinical trials intended to test the safety and effectiveness of a use of a product, or from a number of alternative sources, including studies initiated by investigators. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety, purity and potency of the drug product to the satisfaction of the FDA.

The NDA is a vehicle through which applicants formally propose that the FDA approve a new product for marketing and sale in the United States for one or more indications. Every new drug product candidate must be the subject of an approved NDA before it may be commercialized in the United States. Under federal law, the submission of most NDAs is subject to an application user fee, which for federal fiscal year 2018 is $2,421,495 for an application requiring clinical data. The sponsor of an approved NDA is also subject to an annual program fee, which for fiscal year 2018 is $304,162. Certain exceptions and waivers are available for some of these fees, such as an exception from the application fee for products with orphan designation, an exception from the program fee when the program does not engage in manufacturing the drug during a particular fiscal year and a waiver for certain small businesses.

Following submission of an NDA, the FDA conducts a preliminary review of the application generally within 60 calendar days of its receipt and strives to inform the sponsor by the 74th day after the FDA’s receipt of the submission whether the application is sufficiently complete to permit substantive review. The FDA may request additional information rather than accept the application for filing. In this event, the application must be resubmitted with the additional information. The resubmitted application is also subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review. The FDA has agreed to specified performance goals in the review process of NDAs. Under that agreement, 90% of applications seeking approval of New Molecular Entities, or NMEs, are meant to be reviewed within ten months from the date on which the FDA accepts the application for filing, and 90% of applications
for NMEs that have been designated for “priority review” are meant to be reviewed within six months of the filing date. For applications seeking approval of products that are not NMEs, the ten-month and six-month review periods run from the date that the FDA receives the application. The review process and the Prescription Drug User Fee Act, or PDUFA, goal date may be extended by the FDA for three additional months to consider new information or clarification provided by the applicant to address an outstanding deficiency identified by the FDA following the original submission.

Before approving an application, the FDA typically will inspect the facility or facilities where the product is or will be manufactured. These pre-approval inspections may cover all facilities associated with an NDA submission, including component manufacturing, finished product manufacturing and control testing laboratories. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving an NDA, the FDA will typically inspect one or more clinical sites to assure compliance with GCP. Under the FDA Reauthorization Act of 2017, the FDA must implement a protocol to expedite review of responses to inspection reports pertaining to certain applications, including applications for products in shortage or those for which approval is dependent on remediation of conditions identified in the inspection report.

In addition, as a condition of approval, the FDA may require an applicant to develop a REMS. REMS use risk minimization strategies beyond the professional labeling to ensure that the benefits of the product outweigh the potential risks. To determine whether a REMS is needed, the FDA will consider the size of the population likely to use the product, seriousness of the disease, expected benefit of the product, expected duration of treatment, seriousness of known or potential adverse events and whether the product is a new molecular entity. The FDA may refer an application for a novel product to an advisory committee or explain why such referral was not made. Typically, 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.

**Fast Track, Breakthrough Therapy, priority review and regenerative advanced therapy designations**

The FDA is authorized to designate certain products for expedited review if they are intended to address an unmet medical need in the treatment of a serious or life-threatening disease or condition. These programs are referred to as Fast Track designation, Breakthrough Therapy designation, priority review designation and regenerative advanced therapy designation.

Specifically, the FDA may designate a product for Fast Track review if it is intended, whether alone or in combination with one or more other products, for the treatment of a serious or life-threatening disease or condition, and it demonstrates the potential to address unmet medical needs for such a disease or condition. For Fast Track products, sponsors may have greater interactions with the FDA and the FDA may initiate review of sections of a Fast Track product’s application before the application is complete. This rolling review may be available if the FDA determines, after preliminary evaluation of clinical data submitted by the sponsor, that a Fast Track product may be effective. The sponsor must also provide, and the FDA must approve, a schedule for the submission of the remaining information and the sponsor must pay applicable user fees. However, the FDA’s time period goal for reviewing a Fast Track application does not begin until the last section of the application is submitted. In addition, the Fast Track designation may be withdrawn by the FDA if the FDA believes that the designation is no longer supported by data emerging in the clinical trial process.
Second, a product may be designated as a Breakthrough Therapy if it is intended, either 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 FDA may take certain actions with respect to Breakthrough Therapies, including holding meetings with the sponsor throughout the development process; providing timely advice to the product sponsor regarding development and approval; involving more senior staff in the review process; assigning a cross-disciplinary project lead for the review team; and taking other steps to design the clinical trials in an efficient manner.

Third, the FDA may designate a product for priority review if it is a product that treats a serious condition and, if approved, would provide a significant improvement in safety or effectiveness. The FDA determines, on a case-by-case basis, whether the proposed product represents a significant improvement when compared with other available therapies. Significant improvement may be illustrated by evidence of increased effectiveness in the treatment of a condition, elimination or substantial reduction of a treatment-limiting product reaction, documented enhancement of patient compliance that may lead to improvement in serious outcomes, and evidence of safety and effectiveness in a new subpopulation. A priority designation is intended to direct overall attention and resources to the evaluation of such applications, and to shorten the FDA's goal for taking action on a marketing application from ten months to six months.

With passage of the 21st Century Cures Act, or the Cures Act, in December 2016, Congress authorized the FDA to accelerate review and approval of products designated as regenerative advanced therapies. A product is eligible for this designation if it is a regenerative medicine therapy that is intended to treat, modify, reverse or cure a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the product has the potential to address unmet medical needs for such disease or condition. The benefits of a regenerative advanced therapy designation include early interactions with FDA to expedite development and review, benefits available to breakthrough therapies, potential eligibility for priority review and accelerated approval based on surrogate or intermediate endpoints.

**Accelerated approval pathway**

The FDA may grant accelerated approval to a product for a serious or life-threatening condition that provides meaningful therapeutic advantage to patients over existing treatments based upon a determination that the product has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit. The FDA may also grant accelerated approval for such a condition when the product has an effect on an intermediate clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality, or IMM, and 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. Products granted accelerated approval must meet the same statutory standards for safety and effectiveness as those granted traditional approval.

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. Surrogate endpoints can often be measured more easily or more rapidly than clinical endpoints. An intermediate clinical endpoint is a measurement of a therapeutic effect that is considered reasonably likely to predict the clinical benefit of a drug, such as an effect on IMM. The FDA has limited experience with accelerated approvals based on intermediate clinical endpoints, but has indicated that such endpoints generally may support accelerated approval where the therapeutic effect measured by the endpoint is not itself a clinical benefit and basis for traditional approval, if there is a basis for concluding that the therapeutic effect is reasonably likely to predict the ultimate clinical benefit of a product.
The accelerated approval pathway is most often used in settings in which the course of a disease is long and an extended period of time is required to measure the intended clinical benefit of a product, even if the effect on the surrogate or intermediate clinical endpoint occurs rapidly. Thus, accelerated approval has been used extensively in the development and approval of products for treatment of a variety of cancers in which the goal of therapy is generally to improve survival or decrease morbidity and the duration of the typical disease course requires lengthy and sometimes large trials to demonstrate a clinical or survival benefit. Thus, the benefit of accelerated approval derives from the potential to receive approval based on surrogate endpoints sooner than possible for trials with clinical or survival endpoints, rather than deriving from any explicit shortening of the FDA approval timeline, as is the case with priority review.

The accelerated approval pathway is usually contingent on a sponsor's agreement to conduct, in a diligent manner, additional post-approval confirmatory studies to verify and describe the product's clinical benefit. As a result, a product candidate approved on this basis is subject to rigorous post-marketing compliance requirements, including the completion of Phase 4 or post-approval clinical trials to confirm the effect on the clinical endpoint. Failure to conduct required post-approval studies, or confirm a clinical benefit during post-marketing studies, would allow the FDA to initiate expedited proceedings to withdraw approval of the product. All promotional materials for product candidates approved under accelerated regulations are subject to prior review by the FDA.

The FDA's decision on an NDA

On the basis of the FDA's evaluation of the application and accompanying information, including the results of the inspection of the manufacturing facilities, the FDA may issue an approval letter or a complete response letter. An approval letter authorizes commercial marketing of the product with specific prescribing information for specific indications. A complete response letter generally outlines the deficiencies in the submission and may require substantial additional testing or information in order for the FDA to reconsider the application. If and when those deficiencies have been addressed to the FDA's satisfaction in a resubmission of the NDA, the FDA will issue an approval letter. The FDA has committed to reviewing such resubmissions in two or six months depending on the type of information included. Even with submission of this additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval.

If the FDA approves a new product, it may limit the approved indications for use of the product, require that contraindications, warnings or precautions be included in the product labeling, or require that post-approval studies, including Phase 4 clinical trials, be conducted to further assess the drug's safety after approval. The agency may also require testing and surveillance programs to monitor the product after commercialization, or impose other conditions, including distribution restrictions or other risk management mechanisms, including REMS, to help ensure that the benefits of the product outweigh the potential risks. REMS can include medication guides, communication plans for health care professionals, and elements to assure safe use, or ETASU. ETASU can include, but are not limited to, special training or certification for prescribing or dispensing, dispensing only under certain circumstances, special monitoring and the use of patent registries. The FDA may prevent or limit further marketing of a product based on the results of post-market studies or surveillance programs. The FDA may require a REMS before approval or post-approval if it becomes aware of a serious risk associated with use of the product. The requirement for a REMS can materially affect the potential market and profitability of a product. After approval, many types of changes to the approved product, such as adding new indications, manufacturing changes and additional labeling claims, are subject to further testing requirements and FDA review and approval.
Post-approval regulation

If regulatory approval for marketing of a product or new indication for an existing product is obtained, the sponsor will be required to comply with all regular post-approval regulatory requirements as well as any post-approval requirements that the FDA may have imposed as part of the approval process. The sponsor will be required to report, among other things, certain adverse reactions and manufacturing problems to the FDA, provide updated safety and efficacy information and comply with requirements concerning advertising and promotional labeling requirements. Manufacturers and certain of 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 ongoing regulatory requirements, including cGMP regulations, which impose certain procedural and documentation requirements upon manufacturers. Changes to the manufacturing process are strictly regulated and often require prior FDA approval before being implemented. Accordingly, the sponsor and its third-party manufacturers must continue to expend time, money and effort in the areas of production and quality control to maintain compliance with cGMP regulations and other regulatory requirements.

A product may also be subject to official lot release, meaning that the manufacturer is required to perform certain tests on each lot of the product before it is released for distribution. If the product is subject to official release, the manufacturer must submit samples of each lot, together with a release protocol showing a summary of the history of manufacture of the lot and the results of all of the manufacturer’s tests performed on the lot, to the FDA. The FDA may in addition perform certain confirmatory tests on lots of some products before releasing the lots for distribution. Finally, the FDA will conduct laboratory research related to the safety, purity, potency and effectiveness of pharmaceutical products.

Once an approval is granted, the FDA may withdraw the approval if compliance with regulatory requirements is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical trials to assess safety risks; or imposition of distribution 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 holds on post-approval clinical trials;
- 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; or
- injunctions or the imposition of civil or criminal penalties.

The FDA strictly regulates the marketing, labeling, advertising and promotion of prescription drug products placed on the market. This regulation includes, among other things, standards and regulations for direct-to-consumer advertising, communications regarding unapproved uses, industry-sponsored scientific and educational activities, and promotional activities involving the Internet and social media. Promotional claims about a drug’s safety or effectiveness are prohibited before the drug is approved. After approval, a drug product generally may not be promoted for uses that are not approved by the FDA, as reflected in the product’s prescribing information. In the United States, health care professionals are generally permitted to prescribe...
drugs for such uses not described in the drug's labeling, known as off-label uses, because the FDA does not regulate the practice of medicine. However, FDA regulations impose rigorous restrictions on manufacturers' communications, prohibiting the promotion of off-label uses. It may be permissible, under very specific, narrow conditions, for a manufacturer to engage in nonpromotional, non-misleading communication regarding off-label information, such as distributing scientific or medical journal information.

If a company is found to have promoted off-label uses, it may become subject to adverse public relations and administrative and judicial enforcement by the FDA, the Department of Justice, or the Office of the Inspector General of the Department of Health and Human Services, as well as state authorities. This could subject a company to a range of penalties that could have a significant commercial impact, including civil and criminal fines and agreements that materially restrict the manner in which a company promotes or distributes drug products. The federal government has levied large civil and criminal fines against companies for alleged improper promotion, and has also requested that companies enter into consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed.

In addition, the distribution of prescription pharmaceutical products is subject to the Prescription Drug Marketing Act, or PDMA, and its implementing regulations, as well as the Drug Supply Chain Security Act, or DSCA, which regulate the distribution and tracing of prescription drug samples at the federal level, and set minimum standards for the regulation of distributors by the states. The PDMA, its implementing regulations and state laws limit the distribution of prescription pharmaceutical product samples, and the DSCA imposes requirements to ensure accountability in distribution and to identify and remove counterfeit and other illegitimate products from the market.

**Section 505(b)(2) NDAs**

NDAs for most new drug products are based on two full clinical studies which must contain substantial evidence of the safety and efficacy of the proposed new product for the proposed use. These applications are submitted under Section 505(b)(1) of the FDCA. The FDA is, however, authorized to approve an alternative type of NDA under Section 505(b)(2) of the FDCA. This type of application allows the applicant to rely, in part, on the FDA's previous findings of safety and efficacy for a similar product, or published literature. Specifically, Section 505(b)(2) applies to NDAs for a drug for which the investigations made to show whether or not the drug is safe for use and effective in use and relied upon by the applicant for approval of the application "were not conducted by or for the applicant and for which the applicant has not obtained a right of reference or use from the person by or for whom the investigations were conducted."

Thus, Section 505(b)(2) authorizes the FDA to approve an NDA based on safety and effectiveness data that were not developed by the applicant. NDAs filed under Section 505(b)(2) may provide an alternate and potentially more expeditious pathway to FDA approval for new or improved formulations or new uses of previously approved products. If the 505(b)(2) applicant can establish that reliance on the FDA's previous approval is scientifically appropriate, the applicant may eliminate the need to conduct certain preclinical or clinical studies of the new product. The FDA may also require companies to perform additional studies or measurements to support the change from the approved product. The FDA may then approve the new drug candidate for all or some of the label indications for which the referenced product has been approved, as well as for any new indication sought by the Section 505(b)(2) applicant.

**Abbreviated new drug applications for generic drugs**

In 1984, with passage of the Hatch-Waxman Amendments to the FDCA, Congress established an abbreviated regulatory scheme authorizing the FDA to approve generic drugs that are shown to contain the same active
ingredients as, and to be bioequivalent to, drugs previously approved by the FDA pursuant to NDAs. To obtain approval of a generic drug, an applicant must submit an abbreviated new drug application, or ANDA, to the agency. An ANDA is a comprehensive submission that contains, among other things, data and information pertaining to the active pharmaceutical ingredient, bioequivalence, drug product formulation, specifications and stability of the generic drug, as well as analytical methods, manufacturing process validation data and quality control procedures. ANDAs are “abbreviated” because they generally do not include preclinical and clinical data to demonstrate safety and effectiveness. Instead, in support of such applications, a generic manufacturer may rely on the preclinical and clinical testing previously conducted for a drug product previously approved under an NDA, known as the reference-listed drug, or RLD.

Specifically, in order for an ANDA to be approved, the FDA must find that the generic version is identical to the RLD with respect to the active ingredients, the route of administration, the dosage form, the strength of the drug and the conditions of use of the drug. At the same time, the FDA must also determine that the generic drug is “bioequivalent” to the innovator drug. Under the statute, a generic drug is bioequivalent to a RLD if “the rate and extent of absorption of the drug do not show a significant difference from the rate and extent of absorption of the listed drug.” Upon approval of an ANDA, the FDA indicates whether the generic product is “therapeutically equivalent” to the RLD in its publication “Approved Drug Products with Therapeutic Equivalence Evaluations,” also referred to as the “Orange Book.” Physicians and pharmacists consider a therapeutic equivalent generic drug to be fully substitutable for the RLD. In addition, by operation of certain state laws and numerous health insurance programs, the FDA’s designation of therapeutic equivalence often results in substitution of the generic drug without the knowledge or consent of either the prescribing physician or patient.

Under the Hatch-Waxman Amendments, the FDA may not approve an ANDA until any applicable period of non-patent exclusivity for the RLD has expired. The FDCA provides a period of five years of non-patent data exclusivity for a new drug containing a new chemical entity. For the purposes of this provision, a new chemical entity, or NCE, is a drug that contains no active moiety that has previously been approved by the FDA in any other NDA. An active moiety is the molecule or ion responsible for the physiological or pharmacological action of the drug substance. In cases where such NCE exclusivity has been granted, an ANDA may not be filed with the FDA until the expiration of five years unless the submission is accompanied by a Paragraph IV certification, in which case the applicant may submit its application four years following the original product approval.

The FDCA also provides for a period of three years of exclusivity if the NDA includes reports of one or more new clinical investigations, other than bioavailability or bioequivalence studies, that were conducted by or for the applicant and are essential to the approval of the application. This three-year exclusivity period often protects changes to a previously approved drug product, such as a new dosage form, route of administration, combination or indication. Three-year exclusivity would be available for a drug product that contains a previously approved active moiety, provided the statutory requirement for a new clinical investigation is satisfied. Unlike five-year NCE exclusivity, an award of three-year exclusivity does not block the FDA from accepting ANDAs seeking approval for generic versions of the drug as of the date of approval of the original drug product. The FDA typically makes decisions about awards of data exclusivity shortly before a product is approved.

The FDA must establish a priority review track for certain generic drugs, requiring the FDA to review a drug application within eight (8) months for a drug that has three (3) or fewer approved drugs listed in the Orange Book and is no longer protected by any patent or regulatory exclusivities, or is on the FDA’s drug shortage list. The FDA is also authorized to expedite review of “competitor generic therapies” or drugs with inadequate generic competition, including holding meetings with or providing advice to the drug sponsor prior to submission of the application.
Upon approval of an NDA or a supplement thereto, NDA sponsors are required to list with the FDA each patent with claims that cover the applicant's product or an approved method of using the product. Each of the patents listed by the NDA sponsor is published in the Orange Book. When an ANDA applicant files its application with the FDA, the applicant is required to certify to the FDA concerning any patents listed for the reference product in the Orange Book, except for patents covering methods of use for which the ANDA applicant is not seeking approval. To the extent that the Section 505(b)(2) applicant is relying on studies conducted for an already approved product, the applicant is required to certify to the FDA concerning any patents listed for the approved product in the Orange Book to the same extent that an ANDA applicant would.

Specifically, the applicant must certify with respect to each patent that:

- the required patent information has not been filed;
- the listed patent has expired;
- the listed patent has not expired, but will expire on a particular date and approval is sought after patent expiration; or
- the listed patent is invalid, unenforceable or will not be infringed by the new product.

A certification that the new product will not infringe the already approved product's listed patents or that such patents are invalid or unenforceable is called a Paragraph IV certification. If the applicant does not challenge the listed patents or indicates that it is not seeking approval of a patented method of use, the application will not be approved until all the listed patents claiming the referenced product have expired (other than method of use patents involving indications for which the applicant is not seeking approval).

If the ANDA applicant has provided a Paragraph IV certification to the FDA, the applicant must also send notice of the Paragraph IV certification to the NDA and patent holders once the ANDA has been accepted for filing by the FDA. The NDA and patent holders may then initiate a patent infringement lawsuit in response to the notice of the Paragraph IV certification. The filing of a patent infringement lawsuit within 45 days after the receipt of a Paragraph IV certification automatically prevents the FDA from approving the ANDA until the earlier of 30 months after the receipt of the Paragraph IV notice, expiration of the patent, or a decision in the infringement case that is favorable to the ANDA applicant.

To the extent that the Section 505(b)(2) applicant is relying on studies conducted for an already approved product, the applicant is required to certify to the FDA concerning any patents listed for the approved product in the Orange Book to the same extent that an ANDA applicant would. As a result, approval of a Section 505(b)(2) NDA can be stalled until all the listed patents claiming the referenced product have expired, until any non-patent exclusivity, such as exclusivity for obtaining approval of a new chemical entity, listed in the Orange Book for the referenced product has expired, and, in the case of a Paragraph IV certification and subsequent patent infringement suit, until the earlier of 30 months, settlement of the lawsuit or a decision in the infringement case that is favorable to the Section 505(b)(2) applicant.

Pediatric studies and exclusivity

Under the Pediatric Research Equity Act of 2003, an NDA or supplement thereto must contain data that are adequate to assess the safety and effectiveness of the product for the claimed indications in all relevant pediatric subpopulations, and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. Sponsors must also submit pediatric study plans prior to the assessment data. Those plans must contain an outline of the proposed pediatric study or studies the applicant plans to conduct,
including study objectives and design, any deferral or waiver requests and other information required by regulation. The applicant, the FDA, and the FDA's internal review committee must then review the information submitted, consult with each other and agree upon a final plan. The FDA or the applicant may request an amendment to the plan at any time.

For drugs intended to treat a serious or life-threatening disease or condition, the FDA must, upon the request of an applicant, meet to discuss preparation of the initial pediatric study plan or to discuss deferral or waiver of pediatric assessments. In addition, the FDA will meet early in the development process to discuss pediatric study plans with sponsors and the FDA must meet with sponsors by no later than the end-of-phase 1 meeting for serious or life-threatening diseases and by no later than ninety (90) days after the FDA's receipt of the study plan.

The FDA may, on its own initiative or at the request of the applicant, grant deferrals for submission of some or all pediatric data until after approval of the product for use in adults, or full or partial waivers from the pediatric data requirements. Additional requirements and procedures relating to deferral requests and requests for extension of deferrals are contained in the Food and Drug Administration Safety and Innovation Act, or FDASIA, in 2012. Unless otherwise required by regulation, the pediatric data requirements do not apply to products with orphan designation.

The FDA Reauthorization Act of 2017 established new requirements to govern certain molecularly targeted cancer indications. Any company that submits an NDA three years after the date of enactment of that statute must submit pediatric assessments with the NDA if the drug is intended for the treatment of an adult cancer and is directed at a molecular target that FDA determines to be substantially relevant to the growth or progression of a pediatric cancer. The investigation must be designed to yield clinically meaningful pediatric study data regarding the dosing, safety and preliminary efficacy to inform pediatric labeling for the product.

Pediatric exclusivity is another type of non-patent marketing exclusivity in the United States and, if granted, provides for the attachment of an additional six months of marketing protection to the term of any existing regulatory exclusivity, including the non-patent and orphan exclusivity. This six-month exclusivity may be granted if an NDA sponsor submits pediatric data that fairly respond to a written request from the FDA for such data. The data do not need to show the product to be effective in the pediatric population studied; rather, if the clinical trial is deemed to fairly respond to the FDA's request, the additional protection is granted. If reports of requested pediatric studies are submitted to and accepted by the FDA within the statutory time limits, whatever statutory or regulatory periods of exclusivity or patent protection cover the product are extended by six months. This is not a patent term extension, but it effectively extends the regulatory period during which the FDA cannot approve another application.

**Orphan drug designation and exclusivity**

Under the Orphan Drug Act, the FDA may designate a drug product as an "orphan drug" if it is intended to treat a rare disease or condition, generally meaning that it affects fewer than 200,000 individuals in the United States, or more in cases in which there is no reasonable expectation that the cost of developing and making a product available in the United States for treatment of the disease or condition will be recovered from sales of the product. A company must seek orphan drug designation before submitting an NDA for the candidate product. If the request is granted, the FDA will disclose the identity of the therapeutic agent and its potential use. Orphan drug designation does not shorten the PDUFA goal dates for the regulatory review and approval process, although it does convey certain advantages such as tax benefits and exemption from the PDUFA application fee.

If a product with orphan designation receives the first FDA approval for the disease or condition for which it has such designation or for a select indication or use within the rare disease or condition for which it was
designated, the product generally will receive orphan drug exclusivity. Orphan drug exclusivity means that the FDA may not approve another sponsor’s marketing application for the same drug for the same condition for seven years, except in certain limited circumstances. Orphan exclusivity does not block the approval of a different product for the same rare disease or condition, nor does it block the approval of the same product for different conditions. If a drug designated as an orphan drug ultimately receives marketing approval for an indication broader than what was designated in its orphan drug application, it may not be entitled to exclusivity.

Orphan drug exclusivity will not bar approval of another product under certain circumstances, including if a subsequent product with the same drug for the same condition is shown to be clinically superior to the approved product on the basis of greater efficacy or safety, or providing a major contribution to patient care, or if the company with orphan drug exclusivity is not able to meet market demand. This is the case despite an earlier court opinion holding that the Orphan Drug Act unambiguously required the FDA to recognize orphan exclusivity regardless of a showing of clinical superiority.

**Patent term restoration and extension**

A patent claiming a new drug product may be eligible for a limited patent term extension under the Hatch-Waxman Act, which permits a patent restoration of up to five years for patent term lost during the FDA regulatory review. The restoration period granted on a patent covering a product is typically one-half the time between the effective date of a clinical investigation involving human beings is begun and the submission date of an application, plus the time between the submission date of an application and the ultimate approval date. Patent term restoration cannot be used to extend the remaining term of a patent past a total of 14 years from the product's approval date. Only one patent applicable to an approved product is eligible for the extension, and only those claims covering the approved product, a method for using it, or a method for manufacturing it may be extended. Additionally, the application for the extension must be submitted prior to the expiration of the patent in question. A patent that covers multiple products for which approval is sought can only be extended in connection with one of the approvals. The United States Patent and Trademark Office reviews and approves the application for any patent term extension or restoration in consultation with the FDA.

**The 21st Century Cures Act**

On December 13, 2016, President Obama signed the Cures Act into law. The Cures Act is designed to modernize and personalize healthcare, spur innovation and research, and streamline the discovery and development of new therapies through increased federal funding of particular programs. It authorizes increased funding for the FDA to spend on innovation projects. The new law also amends the Public Health Service Act, or PHSA, to reauthorize and expand funding for the NIH. The Cures Act establishes the NIH Innovation Fund to pay for the cost of development and implementation of a strategic plan, early stage investigators and research. It also charges NIH with leading and coordinating expanded pediatric research. Further, the Cures Act directs the Centers for Disease Control and Prevention to expand surveillance of neurological diseases.

With amendments to the FDCA and the PHSA, Title III of the Cures Act seeks to accelerate the discovery, development, and delivery of new medicines and medical technologies. To that end, and among other provisions, the Cures Act reauthorizes the existing priority review voucher program for certain drugs intended to treat rare pediatric diseases until 2020; creates a new priority review voucher program for drug applications determined to be material national security threat medical countermeasure applications; revises the FDCA to streamline review of combination product applications; requires FDA to evaluate the potential use of “real world evidence” to help support approval of new indications for approved drugs; provides a new “limited population” approval pathway for antibiotic and antifungal drugs intended to treat serious or life-threatening
infections; and authorizes FDA to designate a drug as a “regenerative advanced therapy,” thereby making it eligible for certain expedited review and approval designations.

Health care law and regulation

Health care providers and third-party payors play a primary role in the recommendation and prescription of drug products that are granted marketing approval. Arrangements with providers, consultants, third-party payors and customers are subject to broadly applicable fraud and abuse, anti-kickback, false claims laws, patient privacy laws and regulations and other health care laws and regulations that may constrain business and/or financial arrangements. Restrictions under applicable federal and state health care laws and regulations, include the following:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, paying, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made, in whole or in part, under a federal health care program such as Medicare and Medicaid;

- the federal civil and criminal false claims laws, including the civil False Claims Act, and civil monetary penalties laws, which 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, fictitious or fraudulent or knowingly making, using or causing to made or used a false record or 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, or HIPAA, which created additional federal criminal laws that prohibit, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any health care benefit program or making false statements relating to health care matters;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, and their respective implementing regulations, including the Final Omnibus Rule published in January 2013, which impose obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;

- the federal false statements statute, which prohibits knowingly and willfully falsifying, concealing ·or covering up a material fact or making any materially false statement in connection with the delivery of or payment for health care benefits, items or services;

- the Foreign Corrupt Practices Act, or FCPA, which prohibits companies and their intermediaries from making, or offering or promising to make improper payments to non-U.S. officials for the purpose of obtaining or retaining business or otherwise seeking favorable treatment;

- the federal transparency requirements known as the federal Physician Payments Sunshine Act, under the Patient Protection and Affordable Care Act, as amended by the Health Care Education Reconciliation Act, or the Affordable Care Act, which requires certain manufacturers of drugs, devices, biologics and medical supplies to report annually to the Centers for Medicare & Medicaid Services, or CMS, within the United States Department of Health and Human Services, information related to payments and other transfers of value made by that entity to physicians and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members; and
• analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, which may apply to health care items or services that are reimbursed by non-government third-party payors, including private insurers.

Further, some state laws require pharmaceutical companies to comply with the pharmaceutical industry’s voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring manufacturers to report information related to payments to physicians and other health care providers or marketing expenditures. Additionally, some state and local laws require the registration of pharmaceutical sales representatives in the jurisdiction. State and foreign laws also govern 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.

Pharmaceutical insurance coverage and health care reform

In the United States and markets in other countries, patients who are prescribed treatments for their conditions and providers performing the prescribed services generally rely on third-party payors to reimburse all or part of the associated health care costs. Significant uncertainty exists as to the coverage and reimbursement status of products approved by the FDA and other government authorities. Thus, even if a product candidate is approved, sales of the product will depend, in part, on the extent to which third-party payors, including government health programs in the United States such as Medicare and Medicaid, commercial health insurers and managed care organizations, provide coverage and establish adequate reimbursement levels for, the product. The process for determining whether a payor will provide coverage for a product may be separate from the process for setting the price or reimbursement rate that the payor will pay for the product once coverage is approved. Third-party payors are increasingly challenging the prices charged, examining the medical necessity and reviewing the cost-effectiveness of medical products and services and imposing controls to manage costs. Third-party payors may limit coverage to specific products on an approved list, also known as a formulary, which might not include all of the approved products for a particular indication.

In order to secure coverage and reimbursement for any product that might be approved for sale, a company may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of the product, in addition to the costs required to obtain FDA or other comparable marketing approvals. Nonetheless, product candidates may not be considered medically necessary or cost effective. A decision by a third-party payor not to cover a product could reduce physician utilization once the product is approved and have a material adverse effect on sales, results of operations and financial condition. Additionally, a payor’s decision to provide coverage for a product does not imply that an adequate reimbursement rate will be approved. Further, one payor’s determination to provide coverage for a product does not assure that other payors will also provide coverage and reimbursement for the product, and the level of coverage and reimbursement can differ significantly from payor to payor.

The containment of health care costs also has become a priority of federal, state and foreign governments and the prices of products have been a focus in this effort. Governments have shown significant interest in implementing cost-containment programs, including price controls, restrictions on reimbursement and requirements for substitution of generic products. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit a company’s revenue generated from the sale of any approved products. Coverage policies and third-party reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which a company or its collaborators receive marketing approval, less favorable coverage policies and reimbursement rates may be implemented in the future.
There have been a number of federal and state proposals during the last few years regarding the pricing of pharmaceutical and biopharmaceutical products, limiting coverage and reimbursement for drugs and biologics and other medical products, government control and other changes to the health care system in the United States.

In March 2010, the United States Congress enacted the Patient Protection and Affordable Care Act, or ACA, which, among other things, includes changes to the coverage and payment for drug products under government health care programs. Among the provisions of the ACA of importance to our potential product candidates are:

- an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic agents, apportioned among these entities according to their market share in certain government healthcare programs;
- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to certain individuals with income at or below 133% of the federal poverty level, thereby potentially increasing a manufacturer's Medicaid rebate liability;
- expanded manufacturers' rebate liability under the Medicaid Drug Rebate Program by increasing the minimum rebate for both branded and generic drugs and revising the definition of "average manufacturer price," or AMP, for calculating and reporting Medicaid drug rebates on outpatient prescription drug prices;
- addressed 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 the types of entities eligible for the 340B drug discount program;
- established the Medicare Part D coverage gap discount program by requiring manufacturers to provide a 50% (and 70% starting January 1, 2019) point-of-sale discount off the negotiated price of applicable brand drugs to eligible beneficiaries during their coverage gap period as a condition for the manufacturers' outpatient drugs to be covered under Medicare Part D; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research.

Other legislative changes have been proposed and adopted in the United States since the ACA was enacted. In August 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions of Medicare payments to providers up to 2% per fiscal year, which went into effect in April 2013 and, due to subsequent legislative amendments, will remain in effect through 2027 unless additional Congressional action is taken. In January 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, further reduced Medicare payments to several providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

Since enactment of the ACA, there have been numerous legal challenges and Congressional actions to repeal and replace provisions of the law. For example, with enactment of the Tax Cuts and Jobs Act of 2017, which was signed by President Trump on December 22, 2017, Congress repealed the “individual mandate.” The repeal of this provision, which requires most Americans to carry a minimal level of health insurance, will become effective in 2019. According to the Congressional Budget Office, the repeal of the individual mandate will cause 13 million fewer Americans to be insured in 2027 and premiums in insurance markets may rise. Additionally, on
January 22, 2018, President Trump signed a continuing resolution on appropriations for fiscal year 2018 that delayed the implementation of certain ACA-mandated fees, including the so-called “Cadillac” tax on certain high cost employer-sponsored insurance plans, the annual fee imposed on certain health insurance providers based on market share, and the medical device excise tax on non-exempt medical devices. Further, the Bipartisan Budget Act of 2018, among other things, amends the ACA, effective January 1, 2019, to increase from 50 percent to 70 percent the point-of-sale discount that is owed by pharmaceutical manufacturers who participate in Medicare Part D and to close the coverage gap in most Medicare drug plans, commonly referred to as the “donut hole”. The Congress will likely consider other legislation to replace elements of the ACA during the next Congressional session.

The Trump Administration has also taken executive actions to undermine or delay implementation of the ACA. In January 2017, President Trump signed an Executive Order directing federal agencies with authorities and responsibilities under the ACA to waive, defer, grant exemptions from, or delay the implementation of any provision of the ACA that would impose a fiscal or regulatory burden on states, individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices. In October 2017, the President signed a second Executive Order allowing for the use of association health plans and short-term health insurance, which may provide fewer health benefits than the plans sold through the ACA exchanges. At the same time, the Administration announced that it will discontinue the payment of cost-sharing reduction, or CSR, payments to insurance companies until Congress approves the appropriation of funds for such CSR payments. The loss of the CSR payments is expected to increase premiums on certain policies issued by qualified health plans under the ACA. A bipartisan bill to appropriate funds for CSR payments was introduced in the Senate, but the future of that bill is uncertain.

Further, there have been several recent U.S. congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the costs of drugs under Medicare and reform government program reimbursement methodologies for drug products. At the federal level, the Trump administration’s budget proposal for fiscal year 2019 contains further drug price control measures that could be enacted during the 2019 budget process or in other future legislation, including, for example, measures to permit Medicare Part D plans to negotiate the price of certain drugs under Medicare Part B, to allow some states to negotiate drug prices under Medicaid, and to eliminate cost sharing for generic drugs for low-income patients. While any proposed measures will require authorization through additional legislation 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, individual states are increasingly aggressive in passing legislation and implementing 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. In addition, regional health care authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other health care programs. These measures could reduce the ultimate demand for our products, once approved, or put pressure on our product pricing.

**Review and approval of medicinal products in the European Union**

In order to market any product outside of the United States, a company must also comply with numerous and varying regulatory requirements of other countries and jurisdictions regarding quality, safety and efficacy and governing, among other things, clinical trials, marketing authorization, commercial sales and distribution of products. Whether or not it obtains FDA approval for a product, an applicant will need to obtain the necessary
approvals by the comparable non-U.S. regulatory authorities before it can commence clinical trials or marketing of the product in those
countries or jurisdictions. The approval process ultimately varies between countries and jurisdictions and can involve additional product
testing and additional administrative review periods. The time required to obtain approval in other countries and jurisdictions might differ
from and be longer than that required to obtain FDA approval. Regulatory approval in one country or jurisdiction does not ensure
regulatory approval in another, but a failure or delay in obtaining regulatory approval in one country or jurisdiction may negatively impact
the regulatory process in others. Specifically, however, the process governing approval of medicinal products in the European Union, or
EU, generally follows the same lines as in the United States. It entails satisfactory completion of preclinical studies and adequate and well-
controlled clinical trials to establish the safety and efficacy of the product for each proposed indication. It also requires the submission to
the relevant competent authorities of a marketing authorization application, or MAA, and granting of a marketing authorization by these
authorities before the product can be marketed and sold in the EU.

Clinical trial approval

The Clinical Trials Directive 2001/20/EC, the Directive 2005/28/EC on GCP and the related national implementing provisions of the
individual member states of the European Union, or EU Member States, govern the system for the approval of clinical trials in the EU.
Under this system, an applicant must obtain prior approval from the competent national authority of the EU Member States in which the
clinical trial is to be conducted. Furthermore, the applicant may only start a clinical trial at a specific study site after the competent ethics
committee has issued a favorable opinion. The clinical trial application must be accompanied by, among other documents, an
investigational medicinal product dossier (the Common Technical Document) with supporting information prescribed by Directive
2001/20/EC, Directive 2005/28/EC, where relevant the implementing national provisions of the individual EU Member States and further
detailed in applicable guidance documents.

In April 2014, the new Clinical Trials Regulation, (EU) No 536/2014, was adopted. The Clinical Trials Regulation was published on
June 16, 2014 but is not expected to apply until 2019. The Clinical Trials Regulation will be directly applicable in all the EU Member States,
repealing the current Clinical Trials Directive 2001/20/EC and replacing any national legislation that was put in place to implement the
Directive. Conduct of all clinical trials performed in the EU will continue to be bound by currently applicable provisions until the new Clinical
Trials Regulation becomes applicable. The extent to which on-going clinical trials will be governed by the Clinical Trials Regulation will
depend on when the Clinical Trials Regulation becomes applicable and on the duration of the individual clinical trial. If a clinical trial
continues for more than three years from the day on which the Clinical Trials Regulation becomes applicable the Clinical Trials Regulation
will at that time begin to apply to the clinical trial.

The new Clinical Trials Regulation aims to simplify and streamline the approval of clinical trials in the EU. The main characteristics of the
regulation include: a streamlined application procedure via a single entry point, the "EU Portal and Database"; a single set of documents to
be prepared and submitted for the application as well as simplified reporting procedures for clinical trial sponsors; and a harmonized
procedure for the assessment of applications for clinical trials, which is divided in two parts. Part I is assessed by the appointed reporting
Member State, whose assessment report is submitted for review by the sponsor and all other competent authorities of all EU Member
States in which an application for authorization of a clinical trial has been submitted (Concerned Member States). Part II is assessed
separately by each Concerned Member State. Strict deadlines have been established for the assessment of clinical trial applications. The
role of the relevant ethics committees in the assessment procedure will continue to be governed by the national law of the Concerned
Member State. However, overall related timelines will be defined by the Clinical Trials Regulation.
PRIME designation in the EU

In March 2016, the European Medicines Agency, or EMA, launched an initiative to facilitate development of product candidates in indications, often rare, for which few or no therapies currently exist. The PRIority MEdicines, or PRIME, scheme is intended to encourage drug development in areas of unmet medical need and provides accelerated assessment of products representing substantial innovation reviewed under the centralized procedure. Products from small- and medium-sized enterprises, or SMEs, may qualify for earlier entry into the PRIME scheme than larger companies. Many benefits accrue to sponsors of product candidates with PRIME designation, including but not limited to, early and proactive regulatory dialogue with the EMA, frequent discussions on clinical trial designs and other development program elements, and accelerated marketing authorization application assessment once a dossier has been submitted. Importantly, a dedicated Agency contact and rapporteur from the Committee for Human Medicinal Products, or CHMP, or Committee for Advanced Therapies, or CAT, are appointed early in PRIME scheme facilitating increased understanding of the product at EMA's Committee level. A kick-off meeting initiates these relationships and includes a team of multidisciplinary experts at the EMA to provide guidance on the overall development and regulatory strategies.

Marketing authorization

To obtain a marketing authorization for a product under EU regulatory systems, an applicant must submit an MAA either under a centralized procedure administered by the EMA, or one of the procedures administered by competent authorities in the EU Member States (decentralized procedure, national procedure or mutual recognition procedure). A marketing authorization may be granted only to an applicant established in the EU. Regulation (EC) No 1901/2006 provides that prior to obtaining a marketing authorization in the EU, applicants have to demonstrate compliance with all measures included in an EMA-approved Paediatric Investigation Plan, or PIP, covering all subsets of the pediatric population, unless the EMA has granted (1) a product-specific waiver, (2) a class waiver or (3) a deferral for one or more of the measures included in the PIP.

The centralized procedure provides for the grant of a single marketing authorization by the European Commission that is valid across the European Economic Area (i.e. the EU as well as Iceland, Liechtenstein and Norway). Pursuant to Regulation (EC) No 726/2004, the centralized procedure is compulsory for specific products, including for medicines produced by certain biotechnological processes, products designated as orphan medicinal products, advanced therapy medicinal products and products with a new active substance indicated for the treatment of certain diseases, including products for the treatment of cancer. For products with a new active substance indicated for the treatment of other diseases and products that are highly innovative or for which a centralized process is in the interest of patients, the centralized procedure may be optional. The centralized procedure may at the request of the applicant also be used in certain other cases. We anticipate that the centralized procedure will be mandatory for the product candidates we are developing.

Under the centralized procedure, the CHMP is responsible for conducting the initial assessment of a product and for several post-authorization and maintenance activities, such as the assessment of modifications or extensions to an existing marketing authorization. Under the centralized procedure in the EU, the maximum timeframe for the evaluation of an MAA is 210 days, excluding clock stops, when additional information or written or oral explanation is to be provided by the applicant in response to questions of the CHMP. Accelerated evaluation might be granted by the CHMP in exceptional cases, when a medicinal product is of major interest from the point of view of public health and in particular from the viewpoint of therapeutic innovation. If the CHMP accepts such request, the time limit of 210 days will be reduced to 150 days but it is possible that the CHMP can revert to the standard time limit for the centralized procedure if it considers that it is no longer appropriate to conduct an accelerated assessment. At the end of this period, the CHMP provides a scientific opinion on whether or not a marketing authorization should be granted in relation to a medicinal product.
Within 15 calendar days of receipt of a final opinion from the CHMP, the European Commission must prepare a draft decision concerning an application for marketing authorization. This draft decision must take the opinion and any relevant provisions of EU law into account. Before arriving at a final decision on an application for centralized authorization of a medicinal product the European Commission must consult the Standing Committee on Medicinal Products for Human Use. The Standing Committee is composed of representatives of the EU Member States and chaired by a non-voting European Commission representative. The European Parliament also has a related "droit de regard". The European Parliament's role is to ensure that the European Commission has not exceeded its powers in deciding to grant or refuse to grant a marketing authorization.

The European Commission may grant a so-called “marketing authorization under exceptional circumstances”. Such authorization is intended for products for which the applicant can demonstrate that it is unable to provide comprehensive data on the efficacy and safety under normal conditions of use, because the indications for which the product in question is intended are encountered so rarely that the applicant cannot reasonably be expected to provide comprehensive evidence, or in the present state of scientific knowledge, comprehensive information cannot be provided, or it would be contrary to generally accepted principles of medical ethics to collect such information. Consequently, marketing authorization under exceptional circumstances may be granted subject to certain specific obligations, which may include the following:

- the applicant must complete an identified program of studies within a time period specified by the competent authority, the results of which form the basis of a reassessment of the benefit/risk profile;
- the medicinal product in question may be supplied on medical prescription only and may in certain cases be administered only under strict medical supervision, possibly in a hospital and in the case of a radiopharmaceutical, by an authorized person; and
- the package leaflet and any medical information must draw the attention of the medical practitioner to the fact that the particulars available concerning the medicinal product in question are as yet inadequate in certain specified respects.

A marketing authorization under exceptional circumstances is subject to annual review to reassess the risk-benefit balance in an annual reassessment procedure. Continuation of the authorization is linked to the annual reassessment and a negative assessment could potentially result in the marketing authorization being suspended or revoked. The renewal of a marketing authorization of a medicinal product under exceptional circumstances, however, follows the same rules as a “normal” marketing authorization. Thus, a marketing authorization under exceptional circumstances is granted for an initial five years, after which the authorization will become valid indefinitely, unless the EMA decides that safety grounds merit one additional five-year renewal.

The European Commission may also grant a so-called “conditional marketing authorization” prior to obtaining the comprehensive clinical data required for an application for a full marketing authorization. Such conditional marketing authorizations may be granted for product candidates (including medicines designated as orphan medicinal products), if (i) the risk-benefit balance of the product candidate is positive, (ii) it is likely that the applicant will be in a position to provide the required comprehensive clinical trial data, (iii) the product fulfills an unmet medical need and (iv) the benefit to public health of the immediate availability on the market of the medicinal product concerned outweighs the risk inherent in the fact that additional data are still required. A conditional marketing authorization may contain specific obligations to be fulfilled by the marketing authorization holder, including obligations with respect to the completion of ongoing or new studies, and with respect to the collection of pharmacovigilance data. Conditional marketing authorizations are valid for one year, and may be renewed annually, if the risk-benefit balance remains positive, and after an assessment of the need for additional or modified conditions and/or specific obligations. The timelines for the centralized
The EU medicines rules expressly permit the EU Member States to adopt national legislation prohibiting or restricting the sale, supply or use of any medicinal product containing, consisting of or derived from a specific type of human or animal cell, such as embryonic stem cells. While the products we have in development do not make use of embryonic stem cells, it is possible that the national laws in certain EU Member States may prohibit or restrict us from commercializing our products, even if they have been granted an EU marketing authorization.

Unlike the centralized authorization procedure, the decentralized marketing authorization procedure requires a separate application to, and leads to separate approval by, the competent authorities of each EU Member State in which the product is to be marketed. This application is identical to the application that would be submitted to the EMA for authorization through the centralized procedure. The reference EU Member State prepares a draft assessment and drafts of the related materials within 120 days after receipt of a valid application. The resulting assessment report is submitted to the concerned EU Member States who, within 90 days of receipt, must decide whether to approve the assessment report and related materials. If a concerned EU Member State cannot approve the assessment report and related materials due to concerns relating to a potential serious risk to public health, disputed elements may be referred to the European Commission, whose decision is binding on all EU Member States.

The mutual recognition procedure similarly is based on the acceptance by the competent authorities of the EU Member States of the marketing authorization of a medicinal product by the competent authorities of other EU Member States. The holder of a national marketing authorization may submit an application to the competent authority of an EU Member State requesting that this authority recognize the marketing authorization delivered by the competent authority of another EU Member State.

**Regulatory data protection in the EU**

In the EU, innovative medicinal products approved on the basis of a complete independent data package qualify for eight years of data exclusivity upon marketing authorization and an additional two years of market exclusivity pursuant to Directive 2001/83/EC. Regulation (EC) No 726/2004 repeats this entitlement for medicinal products authorized in accordance the centralized authorization procedure. Data exclusivity prevents applicants for authorization of generics of these innovative products from referencing the innovator’s data to assess a generic (abridged) application for a period of eight years. During an additional two-year period of market exclusivity, a generic marketing authorization application can be submitted and authorized, and the innovator’s data may be referenced, but no generic medicinal product can be placed on the EU market until the expiration of the market exclusivity. The overall ten-year period will be extended to a maximum of 11 years if, during the first eight years of those ten years, the marketing authorization holder obtains an authorization for one or more new therapeutic indications which, during the scientific evaluation prior to their authorization, are held to bring a significant clinical benefit in comparison with existing therapies. Even if a compound is considered to be a new chemical entity so that the innovator gains the prescribed period of data exclusivity, another company nevertheless could also market another version of the product if such company obtained marketing authorization based on an MAA with a complete independent data package of pharmaceutical tests, preclinical tests and clinical trials.

**Periods of authorization and renewals**

A marketing authorization has an initial validity for five years in principle. The marketing authorization may be renewed after five years on the basis of a re-evaluation of the risk-benefit balance by the EMA or by the
Paediatric studies and exclusivity

Prior to obtaining a marketing authorization in the European Union, applicants must demonstrate compliance with all measures included in an EMA-approved PIP covering all subsets of the pediatric population, unless the EMA has granted a product-specific waiver, a class waiver, or a deferral for one or more of the measures included in the PIP. The respective requirements for all marketing authorization procedures are laid down in Regulation (EC) No 1901/2006, the so-called Paediatric Regulation. This requirement also applies when a company wants to add a new indication, pharmaceutical form or route of administration for a medicine that is already authorized. The Paediatric Committee of the EMA, or PDCO, may grant deferrals for some medicines, allowing a company to delay development of the medicine for children until there is enough information to demonstrate its effectiveness and safety in adults. The PDCO may also grant waivers when development of a medicine for children is not needed or is not appropriate, such as for diseases that only affect the elderly population. Before an MAA can be filed, or an existing marketing authorization can be amended, the EMA determines that companies actually comply with the agreed studies and measures listed in each relevant PIP. If an applicant obtains a marketing authorization in all EU Member States, or a marketing authorization granted in the centralized procedure by the European Commission, and the study results for the pediatric population are included in the product information, even when negative, the medicine is then eligible for an additional six-month period of qualifying patent protection through extension of the term of the Supplementary Protection Certificate, or SPC.

Orphan drug designation and exclusivity

Regulation (EC) No. 141/2000, as implemented by Regulation (EC) No. 847/2000 provides that a drug can be designated as an orphan drug by the European Commission if its sponsor can establish: that the product is intended for the diagnosis, prevention or treatment of (1) a life-threatening or chronically debilitating condition affecting not more than five in ten thousand persons in the EU when the application is made, or (2) a life-threatening, seriously debilitating or serious and chronic condition in the EU and that without incentives it is unlikely that the marketing of the drug in the EU would generate sufficient return to justify the necessary investment. For either of these conditions, the applicant must demonstrate that there exists no satisfactory method of diagnosis, prevention or treatment of the condition in question that has been authorized in the EU or, if such method exists, the drug will be of significant benefit to those affected by that condition.

Once authorized, orphan medicinal products are entitled to 10 years of market exclusivity in all EU Member States and in addition a range of other benefits during the development and regulatory review process including scientific assistance for study protocols, authorization through the centralized marketing authorization procedure covering all member countries and a reduction or elimination of registration and marketing authorization fees. However, marketing authorization may be granted to a similar medicinal product with the same orphan indication during the 10-year period with the consent of the marketing authorization holder.
holder for the original orphan medicinal product or if the manufacturer of the original orphan medicinal product is unable to supply sufficient quantities. Marketing authorization may also be granted to a similar medicinal product with the same orphan indication if this product is safer, more effective or otherwise clinically superior to the original orphan medicinal product. The period of market exclusivity may, in addition, be reduced to six years if it can be demonstrated on the basis of available evidence that the original orphan medicinal product is sufficiently profitable not to justify maintenance of market exclusivity.

Regulatory requirements after a marketing authorization has been obtained

In case an authorization for a medicinal product in the EU is obtained, the holder of the marketing authorization is required to comply with a range of requirements applicable to the manufacturing, marketing, promotion and sale of medicinal products. These include:

- Compliance with the EU's stringent pharmacovigilance or safety reporting rules must be ensured. These rules can impose post-authorization studies and additional monitoring obligations.

- The manufacturing of authorized medicinal products, for which a separate manufacturer's license is mandatory, must also be conducted in strict compliance with the applicable EU laws, regulations and guidance, including Directive 2001/83/EC, Directive 2003/94/EC, Regulation (EC) No 726/2004 and the European Commission Guidelines for Good Manufacturing Practice. These requirements include compliance with EU cGMP standards when manufacturing medicinal products and active pharmaceutical ingredients, including the manufacture of active pharmaceutical ingredients outside of the EU with the intention to import the active pharmaceutical ingredients into the EU.

- The marketing and promotion of authorized drugs, including industry-sponsored continuing medical education and advertising directed toward the prescribers of drugs and/or the general public, are strictly regulated in the EU notably under Directive 2001/83EC, as amended, and are also subject to EU Member State laws. Direct-to-consumer advertising of prescription medicines is prohibited across the EU.

Brexit and the regulatory framework in the United Kingdom

On June 23, 2016, the electorate in the United Kingdom voted in favor of leaving the EU, commonly referred to as Brexit. Thereafter, on March 29, 2017, the country formally notified the EU of its intention to withdraw pursuant to Article 50 of the Lisbon Treaty. The withdrawal of the United Kingdom from the EU will take effect either on the effective date of the withdrawal agreement or, in the absence of agreement, two years after the United Kingdom provides a notice of withdrawal pursuant to the EU Treaty. Since the regulatory framework for pharmaceutical products in the United Kingdom, covering quality, safety and efficacy of pharmaceutical products, clinical trials, marketing authorization, commercial sales and distribution of pharmaceutical products is derived from EU directives and regulations, Brexit could materially impact the future regulatory regime which applies to products and the approval of product candidates in the United Kingdom. It remains to be seen how, if at all, Brexit will impact regulatory requirements for product candidates and products in the United Kingdom. See “Risk factors—Failure to obtain marketing approval in foreign jurisdictions would prevent our product candidates from being marketed abroad.”

Pricing decisions for approved products

In the EU, pricing and reimbursement schemes vary widely from country to country. Some countries provide that products may be marketed only after a reimbursement price has been agreed. Some countries may require the completion of additional studies that compare the cost-effectiveness of a particular product candidate to currently available therapies or so-called health technology assessments, in order to obtain reimbursement or
pricing approval. For example, EU Member States have the option to restrict the range of products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. EU Member States may approve a specific price for a product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the product on the market. Other EU Member States allow companies to fix their own prices for products, but monitor and control prescription volumes and issue guidance to physicians to limit prescriptions. Recently, many countries in the EU have increased the amount of discounts required on pharmaceuticals and these efforts could continue as countries attempt to manage health care expenditures, especially in light of the severe fiscal and debt crises experienced by many countries in the EU. The downward pressure on health care costs in general, particularly prescription products, has become intense. As a result, increasingly high barriers are being erected to the entry of new products. Political, economic and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after reimbursement has been obtained. Reference pricing used by various EU Member States, and parallel trade, i.e., arbitrage between low-priced and high-priced EU Member States, can further reduce prices. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any products, if approved in those countries.

Employees
As of May 31, 2018, we had 62 full-time employees, including a total of 32 employees with M.D. or Ph.D. degrees. Of these full-time employees, 50 employees are engaged in research and development. None of our employees are represented by labor unions or covered by collective bargaining agreements. We consider our relationship with our employees to be good.

Facilities
Our principal facilities consist of office and laboratory space. We occupy approximately 36,309 square feet of office space in Cambridge, Massachusetts under a lease that currently expires in June 2020.

Legal proceedings
On January 17, 2017, a participant dosed in our Phase 1 clinical trial of CPI-0610 filed a complaint (Civil Action No. 2:17-cv-00109-ESW) against us in the United States District Court for the District of Arizona, alleging negligence, lack of informed consent, strict products liability and loss of consortium. The plaintiff is seeking unspecified damages. We filed an answer in March 2017 and the case is currently in discovery. We believe that we have meritorious defenses to the allegations made in the complaint and we do not expect the results of this suit to have a material effect on our business or financial statements.

Scientific advisory board
We have established a scientific advisory board and we regularly seek advice and input from these leading scientists and physicians on matters related to our research and development programs. The members of our advisory board consist of experts across a range of key disciplines relevant to our programs. Our advisors are not our employees and may have commitments to, or consulting or advisory contracts with, other entities that may limit their availability to us. In addition, our advisors may have arrangements with other companies to assist those companies in developing products or technologies that may compete with ours. All of our advisors are affiliated with other entities and devote only a small portion of their time to us.
The current members of our scientific advisory board are:

<table>
<thead>
<tr>
<th>Name</th>
<th>Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>David Livingston, M.D.</td>
<td>Deputy Director, Dana Farber Harvard Cancer Center and Professor of Medicine and Genetics, Harvard Medical School</td>
</tr>
<tr>
<td>Scott Lowe, Ph.D.</td>
<td>Chair of the Geoffrey Beene Cancer Research Center, Cancer Biology and Genetics Program, Sloan-Kettering Institute and Howard Hughes Medical Institute</td>
</tr>
<tr>
<td>Robert Schreiber, Ph.D.</td>
<td>Professor of Pathology and Immunology, Professor Molecular Microbiology and Director of the Center of Human Immunology and Immunotherapy programs, Washington University School of Medicine</td>
</tr>
<tr>
<td>Padmanee Sharma, M.D., Ph.D.</td>
<td>Professor, Department of Genitourinary Medical Oncology, Department of Immunology, Division of Cancer Medicine, The University of Texas MD Anderson Cancer Center</td>
</tr>
</tbody>
</table>
Management

Executive officers, key employees and directors

The following table sets forth the name, age as of May 31, 2018 and position of each of our executive officers, key employees and directors.

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jigar Raythatha</td>
<td>41</td>
<td>President and Chief Executive Officer, Director</td>
</tr>
<tr>
<td>Emma Reeve</td>
<td>57</td>
<td>Senior Vice President and Chief Financial Officer</td>
</tr>
<tr>
<td>Adrian Senderowicz, M.D.</td>
<td>54</td>
<td>Senior Vice President and Chief Medical Officer</td>
</tr>
<tr>
<td>Brad Prosek</td>
<td>43</td>
<td>Senior Vice President, Corporate Development</td>
</tr>
<tr>
<td>Robert Sims, Ph.D.</td>
<td>44</td>
<td>Senior Vice President of Research</td>
</tr>
<tr>
<td>Brenda Sousa</td>
<td>54</td>
<td>Senior Vice President of Human Resources and Operations</td>
</tr>
<tr>
<td>Patrick Trojer, Ph.D.</td>
<td>45</td>
<td>Senior Vice President, EZH2, Franchise and Head of Translational Sciences</td>
</tr>
<tr>
<td>Mark A. Goldsmith, M.D., Ph.D.</td>
<td>56</td>
<td>Chairman of the Board</td>
</tr>
<tr>
<td>James E. Audia, Ph.D.</td>
<td>62</td>
<td>Director</td>
</tr>
<tr>
<td>Anthony Evnin, Ph.D.</td>
<td>77</td>
<td>Director</td>
</tr>
<tr>
<td>Peter Svennilson</td>
<td>56</td>
<td>Director</td>
</tr>
<tr>
<td>Robert Tepper, M.D.</td>
<td>62</td>
<td>Director</td>
</tr>
</tbody>
</table>

(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Member of the Nominating and Corporate Governance Committee.

Executive officers and key employees

**Jigar Raythatha** has served as our president and chief executive officer and as a member of our board of directors since March 2017. Mr. Raythatha previously served as chief business officer of Jounce Therapeutics, Inc., a biotechnology company, from December 2012 to February 2017, where he helped build the company from its inception to a publicly traded research and development organization. Previously, he served as our head of corporate development from March 2009 to February 2013, where he led business development, strategy and program and alliance management functions. Prior to serving as our head of corporate development, Mr. Raythatha joined Red Abbey Venture Partners, LLC in 2005 and served as a Kauffman fellow from 2005 to 2007, principal from 2007 to 2009 and venture partner in 2009. Prior to Red Abbey Venture Partners, Mr. Raythatha worked at Biogen Inc. from 1999 to 2003 in a variety of business development, commercial, and program management roles. He earned an M.B.A. from Columbia University and a B.A. in biochemistry and economics from Rutgers University. We believe that Mr. Raythatha's extensive leadership experience in the life sciences industry and his extensive knowledge of our company based on his prior role as our head of corporate development and in his current role as our chief executive officer qualify him to serve as a member of our board of directors.

**Emma Reeve** has served as our senior vice president and chief financial officer since October 2017 and as our treasurer and secretary since December 2017. Prior to joining us, Ms. Reeve served as corporate controller of
PAREXEL International, a life sciences consulting firm and contract research organization, from September 2014 to October 2017 and as interim chief financial officer and corporate controller of PAREXEL from July 2016 to May 2017, where she was responsible for all aspects of financial reporting and accounting, investor relations, financial planning and analysis. Previously, Ms. Reeve served as head of finance and administration at Novartis Pharma Schweiz, a pharmaceutical company, from May 2012 to August 2014 and as vice president, global head business planning and analysis for Novartis Vaccines and Diagnostics, a division of Novartis, from January 2008 to April 2012. She served as chief financial officer of Inotek Pharmaceuticals Inc., a development-stage biotechnology company, from 2006 to 2007. Ms. Reeve was senior director of research operations at Merck Research Laboratories from 2004 to 2006. Prior to that she served as chief financial officer of Aton Pharma, Inc., a development-stage biotechnology company, from 2002 to 2004. Ms. Reeve was at Bristol-Myers Squibb Company, a global biopharmaceuticals company, from 1994 to 2002. Ms. Reeve holds a B.Sc. in computer science from Imperial College, University of London and is an associate of the Institute of Chartered Accountants in England & Wales.

**Adrian Senderowicz, M.D.** has served as our senior vice president and chief medical officer since July 2017, prior to which he provided consulting services to us from May 2017 until the commencement of his employment with us. Prior to joining us, Dr. Senderowicz served as chief medical officer at Cerulean Pharma, Inc., an oncology-focused biotechnology company now known as Daré Bioscience, Inc., from September 2015 to June 2017, where he helped secure Fast Track designation for the company's lead clinical development program in two indications. Previously, Dr. Senderowicz was chief medical officer and senior vice president, clinical development and regulatory affairs at Ignyta, Inc., a biotechnology company, from August 2014 to April 2015. Prior to that he was vice president, global oncology regulatory head at Sanofi S.A., a global pharmaceutical company, from July 2013 to August 2014 and served as chief medical officer at Tokai Pharmaceuticals, Inc., a biopharmaceutical company now known as Novus Therapeutics, Inc., from August 2012 to March 2013. Dr. Senderowicz was a medical director and senior medical director at AstraZeneca PLC, a global biopharmaceutical company, from 2008 to 2012. He began his career as an investigator at the National Cancer Institute before joining the Center for Drug Evaluation and Research at the FDA. Since September 2015, Dr. Senderowicz has served on the board of directors of Puma Biotechnology, a public biotechnology company. Dr. Senderowicz is a board-certified medical oncologist. Dr. Senderowicz completed his Internal Medicine residency training at the Icahn School of Medicine at Mount Sinai and a Clinical Oncology Fellowship at the National Cancer Institute. He holds an M.D. degree from the School of Medicine at the Universidad de Buenos Aires in Argentina.

**Brad Prosek** has served as our senior vice president, corporate development since September 2017. Prior to joining us, Mr. Prosek was the president of All Terrain bioPartners LLC, a business development consulting firm, from April 2015 to September 2017, where he advised and supported life sciences companies, including us from June 2017 until the commencement of his employment with us. Before that, Mr. Prosek was employed in various roles at Cubist Pharmaceuticals, Inc., a biopharmaceutical company, from March 2005 to April 2015, including as senior director, corporate development from January 2009 to August 2014 and as head of infection and prevention technology and services from August 2014 to April 2015. Prior to Cubist, Mr. Prosek served in commercial operations and business development roles at Biogen Inc. from 1999 to 2005. Mr. Prosek holds an M.B.A. from Columbia University and a B.S.F.S. from Georgetown University in international relations.

**Robert Sims, Ph.D.** has served as our senior vice president of research since June 2017. Dr. Sims joined us in 2008 as a founding scientist and has served in various scientific roles at our company, including as vice president, research from 2015 to June 2017, executive director, biology from 2014 to 2015, senior director, biology from 2012 to 2014, director, biology from 2010 to 2012, senior scientist from 2009 to 2010 and scientist from 2008 to 2009. He received his Ph.D. in cellular and molecular biology from the University of Texas at...
Austin and completed his postdoctoral training at the Robert Wood Johnson Medical School and the New York University School of Medicine.

**Brenda Sousa** has served as our senior vice president of human resources and operations since April 2017 and, before that, served as our vice president of human resources from March 2010 to April 2017. Prior to joining us, Ms. Sousa served in a number of roles of increasing responsibility at EPIX Pharmaceuticals, a pharmaceutical company, from 1998 to July 2009, including, most recently, as vice president, human resources and operations. Before joining EPIX, she was director of human resources for RKS Health Ventures and Spence Center for Women’s Health from 1995 to 1998. Ms. Sousa holds a B.A. from the University of Massachusetts, Lowell.

**Patrick Trojer, Ph.D.** has served as our senior vice president, EZH2 franchise and head of translational sciences since June 2017. Dr. Trojer joined us as a founding scientist in 2008. Dr. Trojer has served in various positions at our company, including as vice president, head of research from October 2015 to June 2017, executive director, head of biology from October 2014 to October 2015, senior director, head of biology from March 2012 to October 2014, director, head of biology from 2010 to March 2012, senior scientist from 2009 to 2010 and scientist from 2008 to 2009. Dr. Trojer completed his postdoctoral studies at NYU Medical School, prior to which he received a Ph.D. in protein biochemistry and molecular biology and an M.S. in microbiology from the Leopold Franzens University in Innsbruck, Austria.

**Non-employee directors**

**Mark A. Goldsmith, M.D., Ph.D.** has served as a member of our board of directors since July 2009. Dr. Goldsmith has been the president and chief executive officer and a director of Revolution Medicines, a drug discovery and development company, since November 2014. Dr. Goldsmith was previously a partner with Third Rock Ventures, L.P., or Third Rock, a venture capital firm, from March 2012 until 2015 and a venture partner with Third Rock from 2015 until March 2018. Dr. Goldsmith previously served as our president and chief executive officer from June 2009 to March 2012 and as our interim executive chairman from June 2016 to March 2017. Dr. Goldsmith served as president and chief executive officer of Global Blood Therapeutics, a biotechnology company, from May 2012 to June 2014, and on its board of directors from May 2012 to September 2014. Dr. Goldsmith also served as president and chief executive officer of Nurix, Inc., a drug discovery company, from May 2012 to October 2014. Dr. Goldsmith also serves on the board of directors of various private biotechnology companies. From 2006 to 2009, Dr. Goldsmith served as chief executive officer and chairman of Cogentus Pharmaceuticals, Inc., a biotechnology company, which filed a petition for bankruptcy under Chapter 7 of the United States Bankruptcy Code in 2009. Before entering the private sector, Dr. Goldsmith led a medical research laboratory at the Gladstone Institute of Virology and Immunology, practiced medicine on the faculty of the School of Medicine of the University of California, San Francisco and the San Francisco General Hospital, and was a consultant to leading pharmaceutical and biotechnology companies. Dr. Goldsmith holds an A.B. from Princeton University and a M.D. and Ph.D. in microbiology and immunology from the University of California, San Francisco. We believe that Dr. Goldsmith’s investment and operations experience in the life sciences industry qualify him to serve as a member of our board of directors.

**James E. Audia, Ph.D.** has served as a member of our board of directors since July 2017. Dr. Audia currently serves as Executive Director of the Chicago Biomedical Consortium, or CBC, a collaborative effort of Northwestern University, The University of Chicago and The University of Illinois-Chicago, focused on enhancing biomedical innovation. Prior to joining the CBC in August 2017, Dr. Audia served as our chief scientific officer from January 2011 to July 2017. Prior to joining us as chief scientific officer, Dr. Audia served in a number of roles at Eli Lilly & Company, a global healthcare company, from 1987 until December 2010. From January 2011 to December 2017, Dr. Audia served as a scientific advisor to Sage Therapeutics, Inc., a public biopharmaceutical company. Dr. Audia also serves as a scientific advisor and a member of the board of directors of Ribon Therapeutics, Inc., a private biotechnology company. He received a B.S. and Ph.D. in organic chemistry from the
University of South Carolina and completed postdoctoral training at Yale University. We believe that Dr. Audia’s extensive experience in the biopharmaceutical industry and his prior experience as our chief scientific officer qualify him to serve as a member of our board of directors.

Anthony Evnin, Ph.D. has served as a member of our board of directors since April 2008. Dr. Evnin is a partner of Venrock, a venture capital firm, where he has been a partner since 1975. He currently serves on the boards of AVEO Pharmaceuticals, Inc. and Infinity Pharmaceuticals, Inc., each a public biopharmaceutical company, and Cantel Corporation, a public medical equipment company, as well as a number of private biopharmaceutical companies. During the last five years, Dr. Evnin has served as a director of Juno Therapeutics, Inc., Acceleron Pharma, Inc. and CymaBay Therapeutics, Inc. (formerly Metabolex, Inc.), each a public biopharmaceutical company. Dr. Evnin is a trustee emeritus of The Rockefeller University, a trustee of The Jackson Laboratory, a trustee emeritus of Princeton University, and a member of the Boards of Overseers and Managers of Memorial Sloan-Kettering Cancer Center. Dr. Evnin holds a Ph.D. in chemistry from the Massachusetts Institute of Technology and an A.B. from Princeton University. We believe that Dr. Evnin’s substantial experience as an investor in, and director of, biopharmaceutical companies, as well as his expertise in corporate strategy at a public biopharmaceutical company qualify him to serve as a member of our board of directors.

Peter Svennilson has served as a member of our board of directors since June 2016. In February 2007, Mr. Svennilson founded The Column Group, a venture capital firm, as serves as its managing partner. He currently serves as a member of the board of directors of Immune Design Corp., a publicly-traded immunotherapy company, as well as a number of private biopharmaceutical companies. From 2010 to March 2013, Mr. Svennilson served as a director of PTC Therapeutics, Inc., a biopharmaceutical company. Prior to founding The Column Group, he founded Three Crowns Capital, where he served as its managing partner from June 1996 to February 2007. Prior to Three Crowns Capital, he was the associate managing director in charge of European Investment Banking Origination at Nomura Securities. Mr. Svennilson is currently a trustee for The Institute for Advanced Study in Princeton, New Jersey. Mr. Svennilson received an M.B.A. from the Stockholm School of Economics and Finance. We believe that Mr. Svennilson’s experience in the venture capital industry and serving as a director of other public life science companies qualify him to serve as a member of our board of directors.

Robert Tepper, M.D. has served as a member of our board of directors since April 2008. Dr. Tepper is a general partner of Third Rock, which he co-founded in March 2007 and focuses on the formation, development and scientific strategy of Third Rock’s portfolio companies, as well as actively identifying and evaluating new investments. Dr. Tepper served as our chief scientific officer from April 2008 to October 2009. Prior to joining Third Rock, Dr. Tepper served as President of Research and Development at Millennium Pharmaceuticals, Inc., or Millennium. Prior to joining Millennium in 1994, he served as principal investigator in the laboratory of tumor biology at the Massachusetts General Hospital Cancer Center. Dr. Tepper is also a founder and former member of the scientific advisory board of Cell Genesys/Abgenix Inc. Dr. Tepper serves as an adjunct faculty member at Harvard Medical School and Massachusetts General Hospital and is an advisory board member of several healthcare institutions, including the Partners HealthCare Center for Personalized Genetic Medicine, Harvard Medical School and Tufts Medical School. Dr. Tepper serves a board member of Kala Pharmaceuticals Inc., Jounce Therapeutics, Inc. and Allena Pharmaceuticals, Inc., each a biopharmaceutical company, and was previously a board member of bluebird bio, Inc. from 2010 to 2015 and Cerulean Pharma Inc. from 2006 to 2015. Dr. Tepper is currently a board member of several private life sciences companies. Dr. Tepper also serves on the board of overseas at Tufts University and on the Council of the National Center for Advancing Translational Sciences at the National Institutes of Health. Dr. Tepper holds an A.B. in biochemistry from Princeton University and an M.D. from Harvard Medical School. We believe that Dr. Tepper’s experience in the venture capital industry, particularly with biotechnology and pharmaceutical companies, combined with his experience building and operating research and development operations, on the boards of public and private
life sciences companies and as faculty and advisory board member of several healthcare institutions, qualify him to serve as a member of our board of directors.

**Board composition and election of directors**

**Board composition**

Our board of directors is currently authorized to have eight members and currently consists of six members. Upon the closing of this offering, we will reduce the authorized number of members of our board of directors to six. Our directors hold office until their successors have been elected and qualified or until the earlier of their death, resignation or removal.

Our certificate of incorporation and bylaws that will become effective upon the closing of this offering provide that the authorized number of directors may be changed only by resolution of our board of directors. Our certificate of incorporation and bylaws will also provide that our directors may be removed only for cause by the affirmative vote of the holders of 75% of our shares of capital stock present in person or by proxy and entitled to vote, and that any vacancy on our board of directors, including a vacancy resulting from an enlargement of our board of directors, may be filled only by vote of a majority of our directors then in office.

In accordance with the terms of our certificate of incorporation and bylaws that will become effective upon the closing of this offering, our board of directors will be divided into three classes, class I, class II and class III, with members of each class serving staggered three-year terms. Upon the closing of this offering, the members of the classes will be divided as follows:

- the class I directors will be Anthony Evnin and Peter Svennislon, and their term will expire at the annual meeting of stockholders to be held in 2019;
- the class II directors will James Audia and Robert Tepper, and their term will expire at the annual meeting of stockholders to be held in 2020; and
- the class III directors will be Mark Goldsmith and Jigar Raythatha, and their term will expire at the annual meeting of stockholders to be held in 2021.

Upon the expiration of the term of a class of directors, directors in that class will be eligible to be elected for a new three-year term at the annual meeting of stockholders in the year in which their term expires.

The classification of our board of directors may have the effect of delaying or preventing changes in our control or management. See “Description of capital stock—Delaware anti-takeover law and certain charter and bylaw provisions.”

**Director independence**

Applicable Nasdaq rules require a majority of a listed company’s board of directors to be comprised of independent directors within one year of listing. In addition, Nasdaq rules require that, subject to specified exceptions, each member of a listed company’s audit, compensation and nominating and corporate governance committees be independent under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act and compensation committee members must also satisfy the independence criteria set forth in Rule 10C-1 under the Exchange Act. Under applicable Nasdaq rules, a director will only qualify as an “independent director” if, in the opinion of the listed company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors,
or any other board committee, accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries or otherwise be an affiliated person of the listed company or any of its subsidiaries. In order to be considered independent for purposes of Rule 10C-1, the board must consider, for each member of a compensation committee of a listed company, all factors specifically relevant to determining whether a director has a relationship to such company which is material to that director’s ability to be independent from management in connection with the duties of a compensation committee member, including, but not limited to: (1) the source of compensation of the director, including any consulting advisory or other compensatory fee paid by such company to the director; and (2) whether the director is affiliated with the company or any of its subsidiaries or affiliates.

In June 2018, our board of directors undertook a review of the composition of our board of directors and 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 each of our directors, with the exception of Mr. Raythatha and Dr. Audia, is an “independent director” as defined under applicable Nasdaq rules, including, in the case of all the members of our audit committee, the independence criteria set forth in Rule 10A-3 under the Exchange Act, and in the case of all the members of our compensation committee, the independence criteria set forth in Rule 10C-1 under the Exchange Act. In making such determination, our board of directors considered the relationships that each such non-employee director has with our company and all other facts and circumstances that our board of directors deemed relevant in determining his or her independence, including the beneficial ownership of our capital stock by each non-employee director. Mr. Raythatha is not an independent director under these rules because he is our president and chief executive officer, and Dr. Audia is not an independent director under these rules because he served as our chief scientific officer until July 2017.

There are no family relationships among any of our directors or executive officers.

Board committees

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee, each of which operates under a charter that has been approved by our board. The composition of each committee will be effective as of the date of this prospectus.

Audit committee

The members of our audit committee are Anthony Evnin, Mark Goldsmith and Peter Svennilson. Anthony Evnin is the chair of the audit committee. Effective at the time of this offering, our audit committee’s responsibilities include:

- appointing, approving the compensation of, and assessing the independence of our registered public accounting firm;
- overseeing the work of our independent registered public accounting firm, including through the receipt and consideration of reports from that firm;
- reviewing and discussing with management and our independent registered public accounting firm our annual and quarterly financial statements and related disclosures;
- monitoring our internal control over financial reporting, disclosure controls and procedures and code of business conduct and ethics;
- overseeing our internal audit function;
- overseeing our risk assessment and risk management policies;
• establishing procedures for the receipt and retention of accounting related complaints and concerns;
• meeting independently with our internal auditing staff, if any, our independent registered public accounting firm and management;
• reviewing and approving or ratifying any related person transactions; and
• preparing the audit committee report required by Securities and Exchange Commission, or SEC, rules.
All audit and non-audit services, other than de minimis non-audit services, to be provided to us by our independent registered public accounting firm must be approved in advance by our audit committee.

Our board of directors has determined that each of Anthony Evnin and Peter Svennilson is an “audit committee financial expert” as defined in applicable SEC rules and that each of the members of our audit committee possesses the financial sophistication required for audit committee members under Nasdaq rules. We believe that the composition of our audit committee will meet the requirements for independence under current Nasdaq and SEC rules and regulations.

Compensation committee
The members of our compensation committee are Peter Svennilson, Mark Goldsmith and Robert Tepper. Peter Svennilson is the chair of the compensation committee. Effective at the time of this offering, our compensation committee’s responsibilities include:
• reviewing and approving, or making recommendations to our board of directors with respect to, the compensation of our chief executive officer and our other executive officers;
• overseeing an evaluation of our senior executives;
• overseeing and administering our cash and equity incentive plans;
• reviewing and making recommendations to our board of directors with respect to director compensation;
• reviewing and discussing annually with management our “Compensation Discussion and Analysis” disclosure if and to the extent then required by SEC rules; and
• preparing the compensation committee report if and to the extent then required by SEC rules.
We believe that the composition of our compensation committee will meet the requirements for independence under current Nasdaq and SEC rules and regulations.

Nominating and corporate governance committee
The members of our nominating and corporate governance committee are Robert Tepper, Anthony Evnin and Mark Goldsmith. Robert Tepper is the chair of the nominating and corporate governance committee. Effective at the time of this offering, our nominating and corporate governance committee’s responsibilities include:
• recommending to our board of directors the persons to be nominated for election as directors and to each of our board’s committees;
• reviewing and making recommendations to our board with respect to our board leadership structure;
• reviewing and making recommendations to our board with respect to management succession planning;
developing and recommending to our board of directors corporate governance principles; and

overseeing an annual evaluation of our board of directors.

We believe that the composition of our nominating and corporate governance committee will meet the requirements for independence under current Nasdaq and SEC rules and regulations.

Compensation committee interlocks and insider participation

None of our executive officers serves, or in the past year has served, as a member of the board of directors or compensation committee, or other committee serving an equivalent function, of any other entity that has one or more of its executive officers serving as a member of our board of directors or our compensation committee. None of the members of our compensation committee is, or has ever been, an officer or employee of our company.

Code of ethics and code of conduct

We intend to adopt a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. We intend to post a current copy of the code on our website, www.constellationpharma.com. In addition, we intend to post on our website all disclosures that are required by law or Nasdaq listing standards concerning any amendments to, or waivers from, any provision of the code.
Executive compensation

The following discussion relates to the compensation of our president and chief executive officer, Jigar Raythatha, our former interim executive chairman, Mark Goldsmith, our chief financial officer, Emma Reeve, and our chief medical officer, Adrian Senderowicz, M.D., for fiscal year 2017. Mr. Raythatha, Ms. Reeve and Dr. Senderowicz are collectively referred to in this prospectus as our named executive officers.

In preparing to become a public company, we have begun a thorough review of all elements of our executive compensation program, including the function and design of our equity incentive programs. We have begun, and expect to continue in the coming months, to evaluate the need for revisions to our executive compensation program to ensure that our program is competitive with the companies with which we compete for executive talent and is appropriate for a public company.

Summary compensation table

The following table sets forth information regarding compensation awarded to, earned by or paid to each of our named executive officers and Dr. Goldsmith for the year ended December 31, 2017.

<table>
<thead>
<tr>
<th>Name and principal position</th>
<th>Year</th>
<th>Salary ($)</th>
<th>Bonus ($)</th>
<th>Option awards ($)</th>
<th>All other compensation ($)</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jigar Raythatha, President and Chief Executive Officer</td>
<td>2017</td>
<td>300,000</td>
<td>164,000(3)</td>
<td>2,540,782</td>
<td>4,154(4)</td>
<td>3,008,936</td>
</tr>
<tr>
<td>Mark A. Goldsmith, M.D., Ph.D.</td>
<td></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
<td>—</td>
</tr>
<tr>
<td>Former Interim Executive Chairman</td>
<td></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
<td>—</td>
</tr>
<tr>
<td>Emma Reeve, Chief Financial Officer</td>
<td>2017</td>
<td>68,270</td>
<td>70,000(6)</td>
<td>672,429</td>
<td>301(7)</td>
<td>811,000</td>
</tr>
<tr>
<td>Adrian Senderowicz, M.D.</td>
<td></td>
<td>180,000</td>
<td>131,081(8)</td>
<td>1,042,494</td>
<td>165,652(9)</td>
<td>1,519,227</td>
</tr>
</tbody>
</table>

(1) Except where noted otherwise, the amounts reported in the “Bonus” column reflect discretionary annual cash bonuses paid to our executive officers for their performance.

(2) The amounts reported in the “Option awards” column reflect the aggregate fair value of stock-based compensation awarded during the year computed in accordance with the provisions of Financial Accounting Standards Board Accounting Standards Codification, or ASC, Topic 718. See Note 11 to our financial statements appearing at the end of this prospectus regarding assumptions underlying the valuation of equity awards. These amounts reflect the accounting cost for these stock options and do not reflect the actual economic value that may be realized by the named executive officer upon the vesting of the stock options, the exercise of the stock options or the sale of the common stock underlying such stock options.

(3) Includes a cash bonus of $50,000 paid to Mr. Raythatha upon the commencement of his employment with us.

(4) Includes (i) $3,150 of 401(k) matching contributions and (ii) $1,004 of life insurance premiums.

(5) Dr. Goldsmith, the chairman of our board of directors, also served as our interim executive chairman from June 2016 to March 2017. In 2017, we did not pay a base salary nor did we make any other awards of compensation to Dr. Goldsmith for his service as our interim executive chairman or for his service on our board of directors.

(6) Consists of a cash bonus paid to Ms. Reeve upon the commencement of her employment with us.

(7) Consists of life insurance premiums.

(8) Includes a cash bonus of $50,000 paid to Dr. Senderowicz upon the commencement of his employment with us.

(9) Includes (i) $165,050 of consulting fees that we paid to Dr. Senderowicz pursuant to a consulting agreement prior to the commencement of his employment and (ii) $602 of life insurance premiums.

Narrative to summary compensation table

Base Salary. In 2017, we paid Mr. Raythatha an annualized base salary of $390,000. In March 2018, our board of directors set Mr. Raythatha’s 2018 annual base salary at $405,600, and, effective upon the effectiveness of the
registration statement of which this prospectus forms a part, Mr. Raythatha’s 2018 annual base salary will be set at $465,000. In 2017, we paid Ms. Reeve an annualized base salary of $355,000. In March 2018, our board of directors set Ms. Reeve’s 2018 annual base salary at $355,000. In 2017, we paid Dr. Senderowicz an annualized base salary of $390,000. In March 2018, our board of directors set Dr. Senderowicz’s 2018 annual base salary at $396,544.

We use base salaries to recognize the experience, skills, knowledge and responsibilities required of all our employees, including our named executive officers. None of our named executive officers is currently party to an employment agreement or other agreement or arrangement that provides for automatic or scheduled increases in base salary.

**Annual Bonus.** Our board of directors may, in its discretion, award bonuses to our named executive officers from time to time. Our letter agreements with our named executive officers provide that they will be eligible for annual performance-based bonuses up to a specified percentage of their salary, subject to approval by our board of directors. Performance-based bonuses, which are calculated as a percentage of base salary, are designed to motivate our employees to achieve annual goals based on our strategic, financial and operating performance objectives. From time to time, our board of directors has approved discretionary annual cash bonuses to our named executive officers with respect to their prior year performance.

With respect to 2017, our board of directors awarded bonuses of $114,000 and $81,081 to Mr. Raythatha and Dr. Senderowicz, respectively. Because she joined us in October 2017, Ms. Reeve did not receive an annual bonus for 2017.

Effective upon the effectiveness of the registration statement of which this prospectus forms a part, Mr. Raythatha, Ms. Reeve and Dr. Senderowicz will be eligible, at the sole discretion of our board of directors, to earn an annual bonus of 50%, 40% and 40%, respectively, of his or her base salary.

**Equity Incentives.** Although we do not have a formal policy with respect to the grant of equity incentive awards to our executive officers, or any formal equity ownership guidelines applicable to them, we believe that equity grants provide our executives with a strong link to our long-term performance, create an ownership culture and help to align the interests of our executives and our stockholders. In addition, we believe that equity grants with a time-based vesting feature promote executive retention because this feature incents our executive officers to remain in our employment during the vesting period. Accordingly, our board of directors periodically reviews the equity incentive compensation of our named executive officers and from time to time may grant equity incentive awards to them in the form of stock options.

Pursuant to their respective letter agreements with us, we granted an option to purchase 5,900,000 shares of our common stock to Mr. Raythatha in July 2017, an option to purchase 1,600,000 shares of our common stock to Ms. Reeve in December 2017 and an option to purchase 2,400,000 shares of our common stock to Dr. Senderowicz in July 2017, in each case in connection with the commencement of his or her employment with us. In March 2018, we granted options to purchase 1,562,500, 415,000 and 415,000 shares of our common stock to Mr. Raythatha, Ms. Reeve and Dr. Senderowicz, respectively, and in April 2018, we granted additional options to purchase 1,562,500, 415,000 and 415,000 shares of our common stock to Mr. Raythatha, Ms. Reeve and Dr. Senderowicz, respectively. Our board of directors has also granted options to purchase 3,379,084, 515,345 and 210,000 shares of our common stock to Mr. Raythatha, Ms. Reeve and Dr. Senderowicz, respectively, effective upon the commencement of trading of our common stock on the Nasdaq Stock Market, which we refer to as the IPO grants. The options granted in March 2018 and April 2018 and the IPO grants vest in equal quarterly installments over a term of four years from the date of grant.

Prior to this offering, our executives were eligible to participate in our 2008 Stock Incentive Plan, as amended and restated to date, or the 2008 Plan. During 2017 and 2018, all stock options (other than the IPO grants) were
granted pursuant to the 2008 Plan. Following this offering, our employees and executives will be eligible to receive stock options and other stock-based awards pursuant to our 2018 Equity Incentive Plan, or the 2018 Plan.

We use stock options to compensate our executive officers in the form of initial grants in connection with the commencement of employment and also at various times, often but not necessarily annually, if we have performed as expected or better than expected. Prior to this offering, the award of stock options to our executive officers has been made by our board of directors or compensation committee. None of our executive officers is currently party to an employment agreement that provides for automatic award of stock options. We have granted stock options to our executive officers with time-based vesting. The options that we have granted to our executive officers typically become exercisable as to 25% of the shares underlying the option on the first anniversary of the grant date and as to an additional 6.25% of the original number of shares underlying the option quarterly thereafter. Vesting rights cease upon termination of employment and exercise rights cease shortly after termination, except that vesting is fully accelerated upon certain terminations in connection with a change of control and exercisability is extended in the case of death or disability. Prior to the exercise of an option, the holder has no rights as a stockholder with respect to the shares subject to such option, including no voting rights and no right to receive dividends or dividend equivalents.

We have historically granted stock options with exercise prices that are equal to the fair market value of our common stock on the date of grant as determined by our board of directors, based on a number of objective and subjective factors. The exercise price of all stock options granted after the closing of this offering will be equal to the fair market value of shares of our common stock on the date of grant, which will be determined by reference to the closing market price of our common stock on the date of grant.

**Outstanding equity awards at December 31, 2017**

The following table sets forth information regarding all outstanding stock options and restricted stock held by each of our named executive officers and Dr. Goldsmith as of December 31, 2017.

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of securities underlying unexercised options (#)</th>
<th>Number of securities underlying unexercised options (#)</th>
<th>Equity incentive plan awards: number of securities underlying unexercised unearned options (#)</th>
<th>Option exercise price ($)</th>
<th>Option expiration date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jigar Raythatha</td>
<td>—</td>
<td>5,900,000(1)</td>
<td></td>
<td>0.50</td>
<td>July 10, 2027</td>
</tr>
<tr>
<td>Mark A. Goldsmith, M.D., Ph.D.</td>
<td>300,000</td>
<td>—</td>
<td></td>
<td>0.14</td>
<td>March 10, 2021</td>
</tr>
<tr>
<td></td>
<td>31,250</td>
<td>68,750(2)</td>
<td></td>
<td>0.50</td>
<td>September 20, 2026</td>
</tr>
<tr>
<td>Emma Reeve</td>
<td>—</td>
<td>1,600,000(3)</td>
<td></td>
<td>0.60</td>
<td>December 11, 2027</td>
</tr>
<tr>
<td>Adrian Senderowicz, M.D.</td>
<td>—</td>
<td>1,600,000(4)</td>
<td></td>
<td>0.50</td>
<td>July 10, 2027</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>800,000(5)</td>
<td></td>
<td>0.50</td>
<td>July 10, 2027</td>
</tr>
</tbody>
</table>

(1) Mr. Raythatha's option to purchase 5,900,000 shares of common stock vests over four years, with 25% of the shares underlying the option vested on March 20, 2018 and 6.25% of the shares vesting quarterly thereafter, subject to continued service.

(2) Dr. Goldsmith's option to purchase 100,000 shares of common stock vests over four years, with 25% of the shares underlying the option vested on September 21, 2016, 6.25% of the shares vested on December 21, 2017 and 6.25% of the shares vesting quarterly thereafter, subject to continuation service.

(3) Ms. Reeve's option to purchase 1,600,000 shares of common stock vests over four years, with 25% of the shares underlying the option vested on October 16, 2018 and 6.25% of the shares vesting quarterly thereafter, subject to continued service.

(4) Dr. Senderowicz's option to purchase 1,600,000 shares of common stock vests over four years, with 25% of the shares underlying the option vested on July 10, 2018 and 6.25% of the shares vesting quarterly thereafter, subject to continued service.

(5) As of December 31, 2017, Dr. Senderowicz's option to purchase 800,000 shares of common stock will vest as to 100% of the shares underlying the option on July 10, 2023, subject to continued service and subject to accelerated vesting as to: 50,000 shares upon the satisfaction of an
objective clinical milestone, 50,000 shares upon the satisfaction of an objective clinical milestone, 100,000 shares upon the satisfaction of an objective clinical milestone, 300,000 shares upon the satisfaction of an objective clinical or regulatory milestone and 300,000 shares upon the satisfaction of an objective clinical or regulatory milestone. If and when one or more of these performance milestones are achieved, the number of shares associated with such milestone will convert to time-based vesting from July 10, 2017 and 6.25% of such shares will vest quarterly thereafter, subject to continued service. In June 2018, our board of directors approved an amendment to Dr. Senderowicz's option such that following the commencement of trading of our common stock on the Nasdaq Stock Market, 700,000 shares of common stock will begin vesting as to 6.25% of such shares quarterly until the four-year anniversary of the commencement of trading of our common stock on the Nasdaq Stock Market. The remaining 100,000 shares will continue to vest as described above.

Employment agreements

Letter agreement with Jigar Raythatha

In connection with our initial hiring of Mr. Raythatha as our president and chief executive officer, we entered into a letter agreement with him dated March 13, 2017. Under the letter agreement, Mr. Raythatha is an at will employee, and his employment with us can be terminated by him or us at any time and for any reason. The letter agreement provides that Mr. Raythatha is entitled to an annualized base salary of $390,000, subject to adjustment in accordance with normal business practices and at our sole discretion, during his employment with us and that he is eligible, at our sole discretion, to earn an annual bonus of 40% of his base salary. Mr. Raythatha's letter agreement also provided that he was entitled to (i) a $50,000 cash bonus in connection with the commencement of his employment, which was paid in March 2017, and (ii) the grant of an option to purchase 5,900,000 shares of our common stock, with an exercise price equal to the fair market value of a share of our common stock on the grant date, subject to a four-year vesting schedule, which option was granted in July 2017.

Under the letter agreement, Mr. Raythatha is entitled, subject to his execution and nonrevocation of a release of claims in our favor, in the event of the termination of his employment by us without cause or by him for good reason, each as defined in his letter agreement with us, to (i) a lump sum payment in an amount equal to one month's base salary per month of employment served up to a total of 12 months of his then-current annual base salary, and (ii) our continuing to pay our share of the premiums for COBRA continuation coverage on his behalf to the same extent we were paying such premiums immediately prior to his separation date, for the same period of time as represented by the cash severance payment described previously or until he obtains alternative coverage, whichever comes first, and provided he is eligible for and elects COBRA coverage.

Mr. Raythatha's letter agreement also provides that any compensation and/or benefits he may be eligible to receive in connection with a change in control (as defined in our Change in Control Severance Plan, as amended, or the Severance Plan) will be governed by the terms of the Severance Plan, which is described below under the heading “—Change in control severance plan.”

Letter agreement with Emma Reeve

In connection with our initial hiring of Ms. Reeve as our chief financial officer, we entered into a letter agreement with her dated August 30, 2017. Under the letter agreement, Ms. Reeve is an at will employee, and her employment with us can be terminated by her or us at any time and for any reason. The letter agreement provides that Ms. Reeve is entitled to an annualized base salary of $355,000 during her employment with us and that she is eligible, at our sole discretion, to earn an annual bonus targeted at 35% of her base salary. Ms. Reeve's letter agreement also provided that she was entitled to (i) a $70,000 cash bonus in connection with the commencement of her employment, which was paid in October 2017, subject to repayment if Ms. Reeve's employment is terminated by us for cause or by her without good reason, each as defined in her letter agreement with us, prior to the first anniversary of her start date, and (ii) the grant of an option to purchase 1,600,000 shares of our common stock, with an exercise price equal to the fair market value of a share of our common stock on the grant date, subject to a four-year vesting schedule, which option was granted in December 2017. In addition, under the letter agreement, Ms. Reeve is also eligible to receive (a) an additional $70,000 cash bonus on the first anniversary of her start date and (b) a special retention bonus of $70,000 if we have completed a liquidity event by June 30, 2019 and Ms. Reeve remains actively employed by us on the date such bonus is payable. The letter agreement also
provides that following the end of each fiscal year, and provided that the board approves employee stock option grants, Ms. Reeve will be eligible for a performance based option grant based on our achievement of performance goals and Ms. Reeve’s individual performance, with the board determining in its sole discretion whether a grant will be awarded and whether goals have been achieved.

Under the letter agreement, Ms. Reeve is entitled, subject to her execution and nonrevocation of a release of claims in our favor, in the event of the termination of her employment by us without cause or by her for good reason outside of the protected period, as defined in the Severance Plan, to (i) a lump sum payment in an amount equal to 12 months of her then-current annual base salary, subject to reduction if the termination of her employment occurs prior to the one-year anniversary of her start date, and (ii) our continuing to pay our share of the premiums for COBRA continuation coverage on her behalf to the same extent we were paying such premiums immediately prior to her separation date, for 12 months or until she obtains alternative coverage, whichever comes first, and provided she is eligible for and elects COBRA coverage.

Ms. Reeve’s letter agreement also provides that any compensation and/or benefits she may be eligible to receive if her employment with us is terminated other than for cause or for good reason, each as defined in the Severance Plan, during the protected period will be governed by the terms of the Severance Plan, which is described below under the heading “—Change in control severance plan.” Her letter agreement also provides that the vesting under the Severance Plan will apply to both her initial option and performance grant.

Amended and restated letter agreement with Adrian Senderowicz, M.D.

In connection with our initial hiring of Dr. Senderowicz as our chief medical officer, we entered into a letter agreement with him dated July 6, 2017, which we expect will be amended and restated effective as of the commencement of trading of our common stock on the Nasdaq Stock Market. Under the letter agreement, Dr. Senderowicz is an at will employee, and his employment with us can be terminated by him or us at any time and for any reason. The letter agreement provides that Dr. Senderowicz is entitled to an annualized base salary of $396,544 during his employment with us and that he is eligible, at our sole discretion, to earn an annual bonus targeted at 40% of his base salary. Dr. Senderowicz’s letter agreement also provided that he was entitled to (i) a $50,000 cash bonus in connection with the commencement of his employment, which was paid in July 2017, subject to repayment if Dr. Senderowicz’s employment is terminated by us for cause or by him without good reason, each as defined in his letter agreement with us, prior to the first anniversary of his start date, and (ii) the grant of an option to purchase (a) 1,600,000 shares of our common stock, or the Initial Option, with an exercise price equal to the fair market value of a share of our common stock on the grant date, subject to a four-year vesting schedule, and (b) 800,000 shares of our common stock, or the Subsequent Grant, with an exercise price equal to the fair market value of a share of our common stock on the grant date, of which 100,000 shares vest at the rate of 6.25% per quarter starting on July 10, 2017 and continuing until July 10, 2021 and 700,000 shares vest at the rate of 6.25% per quarter beginning on the date on which our common stock begins trading on the Nasdaq Stock Market and continuing until the four-year anniversary of that date, which options were granted in July 2017.

Under the letter agreement, Dr. Senderowicz is entitled, subject to his execution and nonrevocation of a release of claims in our favor, in the event of the termination of his employment by us without cause or by him for good reason outside of the protected period, as defined in the Severance Plan, to (i) a lump sum payment in an amount equal to 12 months of his then-current annual base salary, subject to reduction if the termination of his employment occurs prior to the one-year anniversary of his start date, and (ii) our continuing to pay our share of the premiums for COBRA continuation coverage on his behalf to the same extent we were paying such premiums immediately prior to his separation date, for 12 months or until he obtains alternative coverage, whichever comes first, and provided he is eligible for and elects COBRA. Notwithstanding the foregoing, in the event that (a) a new chief executive officer commences employment with us prior to the one-year anniversary of Dr. Senderowicz’s start date, (b) we terminate Dr. Senderowicz’s employment without cause prior to the one-year anniversary of his start date and (c) the date of such termination occurs outside the protected period,
then instead (and in lieu) of the cash severance described in clause (i) above, (x) Dr. Senderowicz will be entitled to a lump sum payment in an amount equal to 12 months of his then-current annual base salary and (y) the Initial Option and the Subsequent Grant will vest and become immediately exercisable based on 2.0833% of the number of shares under the Initial Option and the Subsequent Grant, respectively, multiplied by the number of full calendar months elapsed since Dr. Senderowicz’s start date as of the date of termination.

Dr. Senderowicz’s letter agreement also provides that any compensation and/or benefits he may be eligible to receive if his employment with us is terminated other than for cause or for good reason, each as defined in the Severance Plan, during the protected period will be governed by the terms of the Severance Plan, which is described below under the heading “—Change in control severance plan.” His letter agreement also provides that the vesting under the Severance Plan will apply to both the Initial Option and the Subsequent Grant.

Change in control severance plan

We have established an Amended and Restated Change in Control Severance Plan, or the Severance Plan, which sets forth the conditions under which certain of our employees will receive severance benefits if we terminate their employment under specified circumstances, as described below, and which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part. We believe that change in control benefits are important for attracting and retaining talent and help to ensure that our employees can remain focused during periods of uncertainty.

The Severance Plan covers our regular full-time employees and regular part-time employees, each as defined in the Severance Plan, other than those employees (i) whose employment is terminated for cause, as defined in the Severance Plan, (ii) who retire, terminate their employment as a result of an inability to perform their duties due to physical or mental disability or die, (iii) who voluntarily terminate their employment, other than an officer holding the title of vice president or above for good reason, as defined in the Severance Plan, (iv) who are employed for a specified period of time in accordance with the terms of a written employment agreement, (v) who promptly become employed by another member of the controlled group of entities of which we (or our successor) is a member, and (vi) who lose employment in connection with a change in control event, outsourcing arrangement or other corporate transaction and who accept employment with an acquirer of any of our businesses, operations or assets or refuse an offer of such employment in a position providing comparable responsibilities and compensation. We sometimes refer to the employees who are covered by the Severance Plan as the covered employees.

Under the Severance Plan, if, within the period beginning with the date of a letter of intent or similar agreement that does lead to a change in control, as defined in the Severance Plan, through the one-year anniversary of the change in control event we terminate the employment of a covered employee without cause, as defined in the Severance Plan, or the employee is an officer holding the title of vice president or above and resigns for good reason, such employee is entitled to receive the following cash severance pay and other severance benefits. Under the Severance Plan, covered employees are entitled to receive a cash payment equal to (1) the participant’s target bonus that has been established for the year of termination, if any, multiplied by (i) 1.5 for the chief executive officer, (ii) 1.0 for covered employees at the level of vice president and above, (iii) 0.5 for covered employees at the level of director and above (but not including vice presidents) and (iv) 0.25 for all other covered employees and (2) the employee’s then-current monthly base salary and multiplied by (i) 18 months for the chief executive officer, (ii) 12 months for covered employees at the level of vice president and above, (iii) six months for covered employees at the level of director and above (but not including vice presidents) and (iv) three months plus one week for every year of service, as defined in the Severance Plan, for all other covered employees. In addition to the cash severance pay, under the Severance Plan covered employees are entitled to:

- contributions to the cost of COBRA coverage on behalf of the employee and any applicable dependents, if the employee elects such coverage and for no longer than the period for which such employee is entitled to cash severance pay as described above;
full acceleration of the vesting of unvested equity awards; and

• payment of any bonus amount for the prior year that was approved but not yet paid at the time of termination, or, if not yet approved, then the amount that is approved subsequent to such termination (determined without regard to the participant's termination of employment), such amount to be paid in a manner consistent with payments to other similarly situated employees and consistent with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code.

To the extent that any severance or other compensation payment to any covered employee under the Severance Plan or any other agreement constitutes an “excess parachute payment” within the meaning of Sections 280G and 4999 of the Internal Revenue Code, then such covered employee will receive the full amount of such severance and other payments, or a reduced amount intended to avoid the application of Sections 280G and 4999, whichever provides the covered employee with the highest amount on an after-tax basis.

Cash severance pay and other severance benefits under the Severance Plan are conditioned on the covered employee's execution and delivery of a release of claims against us and the employee's compliance with any applicable noncompetition, nonsolicitation or other obligations to us. If a covered employee fails to comply with the terms of such release and obligations, we may, to the extent permitted by applicable law, recoup from such employee the applicable cash severance pay, COBRA contributions or the value of equity award acceleration provided to the employee under the Severance Plan.

The Severance Plan is administered by our board of directors or a qualified administrator appointed by the board. Our board of directors may amend, modify or terminate the Severance Plan at any time on six months advance notice. Our board of directors intends to review the Severance Plan at least annually.

Employee non-competition, non-solicitation, confidentiality and assignment of inventions agreements

Each of our named executive officers has entered into a standard form agreement with respect to non-competition, non-solicitation, confidential information and assignment of inventions. Under this agreement, each named executive officer has agreed not to compete with us during his or her employment and for a period of one year after the termination of his or her employment, not to solicit our employees, consultants, customers, business or prospective customers during his or her employment and for a period of one year after the termination of his or her employment, and to protect our confidential and proprietary information indefinitely. In addition, under this agreement, each named executive officer has agreed that we own all inventions that are developed by such executive officer during his or her employment and for a period of six months after the termination of his or her employment that are related, directly or indirectly, to our businesses, products, methods or services being researched, developed, manufactured or sold by us. Each named executive officer also agreed to provide us with a non-exclusive, royalty-free, perpetual license for any prior inventions that such executive officer incorporates into any of our products, processes, research or development programs or other works in the course of such executive officer’s employment with us.

Stock option and other compensation plans

In this section we describe our 2008 Plan, our 2018 Plan, and our 2018 Employee Stock Purchase Plan, or the 2018 ESPP. Prior to this offering, we granted awards to eligible participants under the 2008 Plan. Following the effectiveness of the 2018 Plan, we expect to grant awards to eligible participants from time to time only under the 2018 Plan.

Amended and restated 2008 stock incentive plan

The 2008 Plan was initially approved by our board of directors in February 2008 and was subsequently amended later in 2008 and in 2009, 2010, 2012, 2014, 2015, 2016 and 2017, in each case to increase or
decrease the total number of shares reserved for issuance under the plan. The 2008 Plan was also amended and restated in February 2018 to increase the total number of shares reserved for issuance under the plan and extend the term of the plan through February 1, 2028. The 2008 Plan provides for the grant of incentive stock options, nonstatutory stock options, restricted stock, restricted stock units, and other stock-based awards (including stock appreciation rights). Our employees, officers, directors, consultants and advisors are eligible to receive awards under the 2008 Plan; however, incentive stock options may only be granted to our employees. The type of award granted under the 2008 Plan and the terms of such award are set forth in the applicable award agreement. Pursuant to the terms of the 2008 Plan, our board of directors (or a committee delegated by our board of directors) will administer the plan and, subject to any limitations in the plan, selects the recipients of awards and determines:

- the number of shares of our common stock covered by options and the dates upon which the options become exercisable;
- the type of options to be granted;
- the duration of options;
- the exercise price of options, which, in the case of incentive stock options, must be at least equal to the fair market value of our common stock on the date of grant; and
- the number of shares of our common stock subject to and the terms of any awards of restricted stock, restricted stock units or other stock-based awards and the terms and conditions of such awards, including conditions for repurchase, issue price and repurchase price.

The board of directors may also, to the extent permitted by applicable law, delegate to one or more of our officers the power to grant awards to employees or officers under the 2008 Plan and such other powers as the board of directors may determine, provided that the board of directors must fix the terms of awards to be granted by such officers (including the exercise price of such awards, which may include a formula by which the exercise price will be determined) and the maximum number of shares subject to awards that the officers may grant. However, officers are not authorized to make grants to any of our executive officers.

Subject to adjustment as provided below, the maximum number of shares of common stock authorized for issuance under the 2008 Plan is 44,474,500 shares. Our board of directors may amend, suspend or terminate the 2008 Plan at any time, subject to certain stockholder approval requirements under the Internal Revenue Code with respect to incentive stock options.

Effect of certain changes in capitalization

Upon the occurrence of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of our common stock other than an ordinary cash dividend, under the terms of the 2008 Plan, we are required to equitably adjust (or make substitute awards, if applicable), in the manner determined by our board of directors:

- the number and class of securities available under the 2008 Plan;
- the number and class of securities and exercise price per share of each outstanding option;
- the number of shares subject to and the repurchase price per share subject to each outstanding award of restricted stock or restricted stock units; and
- the terms of each other outstanding award.
Effect of certain corporate transactions

Upon the occurrence of a merger or other reorganization event (as defined in the 2008 Plan), our board of directors may, on such terms as our board determines, take any one or more of the following actions pursuant to the 2008 Plan as to all or any (or any portion of) outstanding awards, other than awards of restricted stock or restricted stock units:

• provide that outstanding awards will be assumed, or substantially equivalent awards will be substituted, by the acquiring or succeeding corporation (or an affiliate thereof);

• upon written notice to a participant, provide that all of the participant's unexercised awards will terminate immediately prior to the consummation of the reorganization event unless exercised by the participant (to the extent then exercisable) within a specified period following the date of the notice;

• provide that outstanding awards will become exercisable, realizable or deliverable, or restrictions applicable to an award will lapse, in whole or in part, prior to or upon such reorganization event;

• in the event of a reorganization event pursuant to which holders of shares of our common stock will receive a cash payment for each share surrendered in the reorganization event, make or provide for a cash payment to participants with respect to each award held by a participant equal to (1) the number of shares of our common stock subject to the award multiplied by (2) the excess, if any, of the cash payment for each share surrendered in the reorganization event over the exercise price of such award and any applicable tax withholdings, in exchange for the termination of the award;

• provide that, in connection with our liquidation or dissolution, awards will convert into the right to receive liquidation proceeds (if applicable, net of the exercise measurement or purchase price thereof and any applicable tax withholdings); or

• any combination of the foregoing.

Our board of directors is not obligated under the 2008 Plan to treat all awards, all awards held by a participant, or all awards of the same type, identically.

Upon the occurrence of a reorganization event other than our liquidation or dissolution, the repurchase and other rights with respect to outstanding restricted stock awards will continue for the benefit of the succeeding company and will, unless our board of directors determines otherwise, apply to the cash, securities, or other property which our common stock was converted into or exchanged for in the reorganization event in the same manner and to the same extent as they applied to the common stock subject to the restricted stock award. Upon our liquidation or dissolution, except to the extent specifically provided to the contrary in the restricted stock award agreement or any other agreement between the plan participant and us, all restrictions and conditions on all restricted stock awards then outstanding will automatically be deemed terminated or satisfied.

Our board of directors may at any time provide that any award under the 2008 Plan will become immediately exercisable in whole or in part, free of some or all restrictions or conditions, or otherwise realizable in whole or in part, as the case may be.

As of May 31, 2018, there were options to purchase 29,169,568 shares of common stock outstanding under the 2008 Plan at a weighted average exercise price of $0.58 per share and 2,501,639 shares of common stock were available for future issuance under the 2008 Plan. No further awards will be made under the 2008 Plan on or after the effectiveness of the registration statement of which this prospectus forms a part; however, awards outstanding under the 2008 Plan will continue to be governed by their existing terms.
In June 2018, our board of directors adopted and our stockholders approved the 2018 Plan, which will become effective immediately prior to the effectiveness of the registration statement of which this prospectus forms a part. The 2018 Plan provides for the grant of incentive stock options, non-qualified options, stock appreciation rights, restricted stock awards, restricted stock units and other stock-based awards. Upon effectiveness of the 2018 Plan, the number of shares of our common stock that will be reserved for issuance under the 2018 Plan will be the sum of: (1) 30,600,000; plus (2) the number of shares (up to 31,671,207 shares) equal to the sum of (x) the number of shares of our common stock reserved for issuance under the 2008 Plan that remain available for grant under the 2008 Plan immediately prior to the effectiveness of the registration statement of which this prospectus forms a part and (y) the number of shares of our common stock subject to outstanding awards under the 2008 Plan that expire, terminate or are otherwise surrendered, cancelled, forfeited or repurchased by us at their original issuance price pursuant to a contractual repurchase right (subject, in the case of incentive stock options, to any limitations of the Internal Revenue Code); plus (3) an annual increase, to be added on the first day of each fiscal year, beginning with the fiscal year ending December 31, 2019 and continuing until, and including, the fiscal year ending December 31, 2028, equal to the least of (i) 24,400,000 shares of our common stock, (ii) 4% of the number of shares of our common stock outstanding on the first day of such fiscal year and (iii) an amount determined by our board of directors.

Our employees, officers, directors, consultants and advisors will be eligible to receive awards under the 2018 Plan. Incentive stock options, however, may only be granted to our employees. Our board of directors has granted under the 2018 Plan options to purchase an aggregate of 9,369,329 shares to certain of our employees and non-employee directors effective upon the commencement of trading of our common stock on the Nasdaq Stock Market.

Pursuant to the terms of the 2018 Plan, our board of directors (or a committee delegated by our board of directors) will administer the plan and, subject to any limitations in the plan, will select the recipients of awards and determine:

- the number of shares of our common stock covered by options and the dates upon which the options become exercisable;
- the type of options to be granted;
- the duration of options, which may not be in excess of ten years;
- the exercise price of options, which must be at least equal to the fair market value of our common stock on the date of grant; and
- the number of shares of our common stock subject to and the terms of any stock appreciation rights, restricted stock awards, restricted stock units or other stock-based awards and the terms and conditions of such awards, including conditions for forfeiture repurchase, issue price and repurchase price (though the measurement price of stock appreciation rights must be at least equal to the fair market value of our common stock on the date of grant and the duration of such awards may not be in excess of ten years).

If our board of directors delegates authority to one or more of our officers to grant awards under the 2018 Plan, the officers will have the power to make awards to all of our employees, except executive officers. Our board of directors will fix the terms of the awards to be granted by any such officer, the maximum number of shares subject to awards that such officer may make, and the time period in which such awards may be granted.

The 2018 Plan contains limits on awards that may be made under the 2018 Plan to our non-employee directors. The maximum value of shares of our common stock subject to awards granted under the 2018 Plan in any calendar year to any individual non-employee director (calculated based on grant date fair value for financial
reporting purposes) plus the cash retainer paid in any calendar year to any individual non-employee director may not exceed $600,000 in the case of an incumbent director or $900,000 in the case of a new director during his or her first year of service. However, our board of directors may, in its discretion, make exceptions to this limit for individual non-employee directors in extraordinary circumstances, provided that the non-employee director receiving such additional compensation may not participate in the decision to award such compensation.

**Effect of certain changes in capitalization**

Upon the occurrence of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of our common stock other than an ordinary cash dividend, under the terms of the 2018 Plan, we are required to equitably adjust (or make substitute awards, if applicable), in the manner determined by our board of directors:

- the number and class of securities available under the 2018 Plan;
- the share counting rules and sublimits under the 2018 Plan;
- the number and class of securities and exercise price per share of each outstanding option;
- the share and per-share provisions and the measurement price of each outstanding stock appreciation right;
- the number of shares subject to, and the repurchase price per share subject to, each outstanding award of restricted stock; and
- the share and per-share related provisions and the purchase price, if any, of each outstanding restricted stock unit award each other stock-based award.

**Effect of certain corporate transactions**

In connection with a merger or other reorganization event (as defined in the 2018 Plan), our board of directors may, on such terms as our board determines (except to the extent specifically provided otherwise in an applicable award agreement or other agreement between the participant and us), take any one or more of the following actions pursuant to the 2018 Plan as to all or any (or any portion of) outstanding awards, other than awards of restricted stock:

- provide that outstanding awards will be assumed, or substantially equivalent awards will be substituted, by the acquiring or succeeding corporation (or an affiliate thereof);
- upon written notice to a participant, provide that all of the participant’s unvested awards will be forfeited, and/or unexercised awards will terminate, immediately prior to the consummation of the reorganization event unless exercised by the participant (to the extent then exercisable) within a specified period following the date of the notice;
- provide that outstanding awards will become exercisable, realizable or deliverable, or restrictions applicable to an award will lapse, in whole or in part, prior to or upon such reorganization event;
- in the event of a reorganization event pursuant to which holders of shares of our common stock will receive a cash payment for each share surrendered in the reorganization event, make or provide for a cash payment to participants with respect to each award held by a participant equal to (1) the number of shares of our common stock subject to the vested portion of the award (after giving effect to any acceleration of vesting that occurs upon or immediately prior to such reorganization event) multiplied by (2) the excess, if any, of

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the cash payment for each share surrendered in the reorganization event over the exercise, measurement or purchase price of such award and any applicable tax withholdings, in exchange for the termination of such award;

• provide that, in connection with our liquidation or dissolution, awards will convert into the right to receive liquidation proceeds (if applicable, net of the exercise, measurement or purchase price thereof and any applicable tax withholdings); or

• any combination of the foregoing.

Our board of directors is not obligated under the 2018 Plan to treat all awards, all awards held by a participant, or all awards of the same type, identically.

In the case of certain restricted stock units, no assumption or substitution is permitted, and the restricted stock units will instead be settled in accordance with the terms of the applicable restricted stock unit agreement.

Upon the occurrence of a reorganization event other than our liquidation or dissolution, our repurchase and other rights with respect to outstanding awards of restricted stock will continue for the benefit of our successor and will, unless our board of directors determines otherwise, apply to the cash, securities, or other property which our common stock was converted into or exchanged for pursuant to the reorganization event in the same manner and to the same extent as they applied to the common stock subject to the restricted stock award. However, the board may provide for the termination or deemed satisfaction of such repurchase or other rights under the restricted stock award agreement or in any other agreement between a participant and us, either initially or by amendment. Upon our liquidation or dissolution, except to the extent specifically provided to the contrary in the restricted stock award agreement or any other agreement between the participant and us, all restrictions and conditions on all restricted stock awards then outstanding will automatically be deemed terminated or satisfied.

At any time, our board of directors may provide that any award under the 2018 Plan will become immediately exercisable in full or in part, free of some or all restrictions or conditions, or otherwise realizable in whole or in part as the case may be.

Unless our stockholders approve such action, the 2018 Plan provides that we may not (except as otherwise permitted in connection with a change in capitalization or reorganization event):

• amend any outstanding stock option or stock appreciation right granted under the 2018 Plan to provide an exercise or measurement price per share that is lower than the then-current exercise or measurement price per share of such outstanding award;

• cancel any outstanding option or stock appreciation right (whether or not granted under the 2018 Plan) and grant in substitution therefor new awards under the 2018 Plan (other than substitute awards permitted in connection with a merger or consolidation of an entity with us or our acquisition of property or stock of another entity) covering the same or a different number of shares of our common stock and having an exercise or measurement price per share lower than the then-current exercise or measurement price per share of the cancelled award;

• cancel in exchange for a cash payment any outstanding option or stock appreciation right with an exercise or measurement price per share above the then-current fair market value of our common stock (valued in the manner determined by (or in the manner approved by) our board of directors); or

• take any other action that constitutes a “repricing” within the meaning of the rules of the Nasdaq Stock Market.
No award may be granted under the 2018 Plan on or after the date that is ten years following the effectiveness of the registration statement related to this offering but awards previously granted may extend beyond that date. Our board of directors may amend, suspend or terminate the 2018 Plan or any portion of the 2018 Plan at any time, except that stockholder approval may be required to comply with applicable law or stock market requirements.

2018 Employee Stock Purchase Plan

In June 2018, our board of directors adopted and our stockholders approved the 2018 ESPP, which will become effective immediately prior to the effectiveness of the registration statement of which this prospectus forms a part. The 2018 ESPP will be administered by our board of directors or by a committee appointed by our board of directors. The 2018 ESPP initially provides participating employees with the opportunity to purchase up to an aggregate of 3,000,000 shares of our common stock. The number of shares of our common stock reserved for issuance under the 2018 ESPP will automatically increase on the first day of each fiscal year, beginning with the fiscal year commencing on January 1, 2020 and continuing until, and including, the fiscal year commencing on January 1, 2028, in an amount equal to the least of (i) 6,000,000 shares of our common stock, (ii) 1% of the number of shares of our common stock outstanding on the first day of such fiscal year and (iii) an amount determined by our board of directors.

All of our employees and employees of any designated subsidiary, as defined in the 2018 ESPP, are eligible to participate in the 2018 ESPP, provided that:

• such person is customarily employed by us or a designated subsidiary for more than 20 hours a week and for more than five months in a calendar year;
• such person has been employed by us or by a designated subsidiary for at least three months prior to enrolling in the 2018 ESPP; and
• such person was our employee or an employee of a designated subsidiary on the first day of the applicable offering period under the 2018 ESPP.

We retain the discretion to determine which eligible employees may participate in an offering under applicable regulations.

We expect to make one or more offerings to our eligible employees to purchase stock under the 2018 ESPP beginning at such time and on such dates as our board of directors may determine, or on the first business day thereafter. Each offering will consist of a six-month offering period during which payroll deductions will be made and held for the purchase of our common stock at the end of the offering period. Our board of directors or a committee designated by the board of directors may, at its discretion, choose a different period of not more than 12 months for offerings.

On each offering commencement date, each participant will be granted the right to purchase, on the last business day of the offering period, up to a number of shares of our common stock determined by multiplying $2,083 by the number of full months in the offering period and dividing that product by the closing price of our common stock on the first day of the offering period. No employee may be granted an option under the 2018 ESPP that permits the employee's rights to purchase shares under the 2018 ESPP and any other employee stock purchase plan of ours or of any of our subsidiaries to accrue at a rate that exceeds $25,000 of the fair market value of our common stock (determined as of the first day of each offering period) for each calendar year in which the option is outstanding. In addition, no employee may be granted an option to purchase shares of our common stock under the 2018 ESPP that would result in the employee owning 5% or more of the total combined voting power or value of our stock or the stock of any of our subsidiaries.
With respect to any offering under the 2018 ESPP, each eligible employee may authorize up to a maximum of 15% of his or her compensation to be deducted by us during the offering period. Each employee who continues to be a participant in the 2018 ESPP on the last business day of the offering period shall be deemed to have exercised an option to purchase from us the number of whole shares of our common stock that his or her accumulated payroll deductions on such date will pay for, not in excess of the maximum numbers set forth above. Under the terms of the 2018 ESPP, the purchase price will be determined by our board of directors or the committee for each offering period and will be at least 85% of the applicable closing price of our common stock. If our board of directors or the committee does not make a determination of the purchase price, the purchase price will be 85% of the lesser of the closing price of our common stock on the first business day of the offering period or on the last business day of the offering period.

An employee may at any time prior to the close of business on the fifteenth business day (or such other number of days as we determine) prior to the end of an offering period, and for any reason, permanently withdraw from participating in an offering prior to the end of an offering period and permanently withdraw the balance accumulated in the employee’s account. If an employee elects to discontinue his or her payroll deductions during an offering period but does not elect to withdraw his or her funds, funds previously deducted will be applied to the purchase of common stock at the end of the offering period. If a participating employee’s employment ends before the last business day of an offering period, no additional payroll deductions will be taken and the balance in the employee’s account will be paid to the employee.

We will be required to make equitable adjustments to the extent determined by our board of directors or a committee thereof to the number and class of securities available under the 2018 ESPP, the share limitations under the 2018 ESPP, and the purchase price for an offering period under the 2018 ESPP to reflect stock splits, reverse stock splits, stock dividends, recapitalizations, combinations of shares, reclassifications of shares, spin-offs and other similar changes in capitalization or events or any dividends or distributions to holders of our common stock other than ordinary cash dividends.

In connection with a merger or other reorganization event, as defined in the 2018 ESPP, our board of directors or a committee of our board of directors may take any one or more of the following actions as to outstanding options to purchase shares of our common stock under the 2018 ESPP on such terms as our board of directors or committee thereof determines:

- provide that options will be assumed, or substantially equivalent options will be substituted, by the acquiring or succeeding corporation (or an affiliate thereof);
- upon written notice to employees, provide that all outstanding options will be terminated immediately prior to the consummation of such reorganization event and that all such outstanding options will become exercisable to the extent of accumulated payroll deductions as of the date specified by board of directors or committee thereof in such notice, which date will not be less than ten days preceding the effective date of the reorganization event;
- upon written notice to employees, provide that all outstanding options will be cancelled as of a date prior to the effective date of the reorganization event and that all accumulated payroll deductions will be returned to participating employees on such date;
- in the event of a reorganization event under the terms of which holders of our common stock will receive upon consummation thereof a cash payment for each share surrendered in the reorganization event and make or provide for a cash payment to each employee equal to (1) the cash payment for each share surrendered in the reorganization event times the number of shares of our common stock that the employee’s accumulated payroll deductions as of immediately prior to the reorganization event could purchase at the applicable
purchase price, where the cash payment for each share surrendered in the reorganization event is treated as the fair market value of our common stock on the last day of the applicable offering period for purposes of determining the purchase price and where the number of shares that could be purchased is subject to the applicable limitations under the 2018 ESPP minus (2) the result of multiplying such number of shares by the purchase price; and/or

- provide that, in connection with our liquidation or dissolution, options will convert into the right to receive liquidation proceeds (net of the purchase price thereof).

Our board of directors may at any time, and from time to time, amend or suspend the 2018 ESPP or any portion of the 2018 ESPP. We will obtain stockholder approval for any amendment if such approval is required by Section 423 of the Internal Revenue Code. Further, our board of directors may not make any amendment that would cause the 2018 ESPP to fail to comply with Section 423 of the Internal Revenue Code. The 2018 ESPP may be terminated at any time by our board of directors. Upon termination, we will refund all amounts in the accounts of participating employees.

401(k) plan

We maintain a defined contribution employee retirement plan for our employees, including our named executive officers. The plan is intended to qualify as a tax-qualified 401(k) plan so that contributions to the 401(k) plan, and income earned on such contributions, are not taxable to participants until withdrawn or distributed from the 401(k) plan (except in the case of contributions under the 401(k) plan designated as Roth contributions). We also make discretionary matching contributions to the 401(k) plan equal to 50% of the employee contributions up to 6% of the employee's salary, subject to the statutorily prescribed limit. Under the 401(k) plan, each employee is fully vested in his or her deferred salary contributions and our discretionary match. Employee contributions are held and invested by the plan's trustee as directed by participants.

Limitation of liability and indemnification

Our certificate of incorporation, which will become effective upon the closing of this offering, limits the personal liability of directors for breach of fiduciary duty to the maximum extent permitted by the Delaware General Corporation Law, or the DGCL, and provides that no director will have personal liability to us or to our stockholders for monetary damages for breach of fiduciary duty as a director. However, these provisions do not eliminate or limit the liability of any of our directors:

- for any breach of the director's duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- for voting for or assenting to unlawful payments of dividends, stock repurchases or other distributions; or
- for any transaction from which the director derived an improper personal benefit.

Any amendment to or repeal of these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to such amendment or repeal. If the DGCL is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the DGCL.

In addition, our certificate of incorporation, which will become effective upon the closing of this offering, provides that we must indemnify our directors and officers and we must advance expenses, including attorneys’ fees, to our directors and officers in connection with legal proceedings, subject to very limited exceptions.

We maintain a general liability insurance policy that covers specified liabilities of our directors and officers arising out of claims based on acts or omissions in their capacities as directors or officers. In addition, we
intend to enter into indemnification agreements with all of our executive officers and directors prior to the completion of this offering. These indemnification agreements may require us, among other things, to indemnify each such executive officer or director for some expenses, including attorneys’ fees, judgments, fines and settlement amounts incurred by him or her in any action or proceeding arising out of his or her service as one of our executive officers or directors.

Some of our non-employee directors may, through their relationships with their employers, be insured or indemnified against specified liabilities incurred in their capacities as members of our board of directors.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, or the Securities Act, may be permitted to directors, executive officers or persons controlling us, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Rule 10b5-1 sales plans

Our directors and executive officers may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell shares of our common stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades pursuant to parameters established by the director or officer when entering into the plan, without further direction from the director or officer. It also is possible that the director or officer could amend or terminate the plan when not in possession of material, nonpublic information. In addition, our directors and executive officers may buy or sell additional shares outside of a Rule 10b5-1 plan when they are not in possession of material, nonpublic information.

Director compensation

The table below shows all compensation to our non-employee directors during the year ended December 31, 2017.

<table>
<thead>
<tr>
<th>Name</th>
<th>Fees earned or paid in cash</th>
<th>Option awards</th>
<th>All other compensation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>James E. Audia, Ph.D.</td>
<td>$10,000</td>
<td>$43,394</td>
<td>$41,250(3)</td>
<td>$94,644</td>
</tr>
<tr>
<td>Anthony Evnin, Ph.D.</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Peter Svennilson</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Robert Tepper, M.D.</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

(1) The amounts reported in the “Option awards” column reflect the aggregate fair value of stock-based compensation awarded during the year computed in accordance with the provisions of ASC 718. See Note 11 to our financial statements appearing at the end of this prospectus regarding assumptions underlying the valuation of equity awards. These amounts reflect the accounting cost for these stock options and do not reflect the actual economic value that may be realized by the directors upon the vesting of the stock options, the exercise of the stock options or the sale of the common underlying such stock options.

(2) As of December 31, 2017, the aggregate number of shares of our common stock subject to outstanding option awards was as follows: Dr. Audia, 539,188 shares.

(3) Consists of consulting fees paid to Dr. Audia following his employment with us. During the year ended December 31, 2017, we also compensated Dr. Audia in connection with his service as an employee until July 2017, prior to him becoming a director, in the following amounts: (i) $238,886 in salary; (ii) $37,691 in cash bonus; (iii) $141,431 in options to purchase shares of common stock and (iv) $7,144 in 401(k) matching contributions.

In March 2018, Dr. Goldsmith and Dr. Audia were granted options to purchase 200,000 and 100,000 shares of our common stock, respectively. Our board of directors has also granted an option to purchase 90,000 shares of our common stock to each of Dr. Goldsmith and Dr. Audia effective upon the commencement of trading of our common stock on the Nasdaq Stock Market.

Prior to this offering, we paid cash fees and granted options to purchase shares of our common stock to certain of our non-employee directors for their service on our board of directors pursuant to a non-employee and non-affiliate director compensation policy. We have historically reimbursed our non-employee directors for reasonable travel and out-of-pocket expenses incurred in connection with attending board of director and committee meetings.
Mr. Raythatha, one of our directors who also serves as our president and chief executive officer, does not receive any additional compensation for his service as a director. Mr. Raythatha is one of our named executive officers and, accordingly, the compensation that we pay to Mr. Raythatha is discussed above under “—Summary compensation table” and “—Narrative to summary compensation table.”

Due to his service as our interim executive chairman, the compensation that we paid to Dr. Goldsmith, one of our directors, in 2017 is discussed above under “—Summary compensation table.”

In June 2018, our board of directors approved a director compensation program that will become effective on the effective date of the registration statement of which this prospectus is a part. Under this director compensation program, we will pay our non-employee directors a cash retainer for service on the board of directors and for service on each committee on which the director is a member. The chairman of the board and of each committee will receive higher retainers for such service. These fees are payable in arrears in four equal quarterly installments on the last day of each quarter, provided that the amount of such payment will be prorated for any portion of such quarter that the director is not serving on our board of directors and no fee shall be payable in respect of any period prior to the completion of this offering. The fees paid to non-employee directors for service on the board of directors and for service on each committee of the board of directors on which the director is a member are as follows:

<table>
<thead>
<tr>
<th>Committee</th>
<th>Member annual fee</th>
<th>Chairman annual fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>$35,000</td>
<td>$30,000</td>
</tr>
<tr>
<td>Audit Committee</td>
<td>$7,500</td>
<td>$7,500</td>
</tr>
<tr>
<td>Compensation Committee</td>
<td>$5,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>Nominating and Corporate Governance Committee</td>
<td>$3,500</td>
<td>$4,000</td>
</tr>
</tbody>
</table>

We also will continue to reimburse our non-employee directors for reasonable travel and other expenses incurred in connection with attending meetings of our board of directors and any committee of our board of directors on which he or she serves.

In addition, under our director compensation program to be effective on the effective date of the registration statement of which this prospectus is a part, each non-employee director will receive, upon his or her initial election or appointment to our board of directors, an option to purchase 290,000 shares of our common stock under the 2018 Plan. Each of these options will vest as to 1/36th of the shares of our common stock underlying such option at the end of each successive one-month period following the date of grant until the third anniversary of the date of grant. Subject to the non-employee director’s continued service as a director. Further, on the date of the first board meeting held after each annual meeting of stockholders, each non-employee director that has served on our board of directors for at least six months will receive, under the 2018 Plan, an option to purchase 145,000 shares of our common stock under the 2018 Plan. Each of these options will vest with respect to all of the shares on the first anniversary of the date of grant, subject to the non-employee director’s continued service as a director. All options granted to our non-employee directors under our director compensation program will be issued at exercise prices equal to the fair market value of our common stock on the date of grant and will become exercisable in full in the event of a change in control.
Transactions with related persons

Since January 1, 2015, we have engaged in the following transactions in which the amounts involved exceeded $120,000 and any of our directors, executive officers or holders of more than 5% of our voting securities, or any member of the immediate family of, or person sharing the household with, the foregoing persons, had or will have a direct or indirect material interest. We believe that all of these transactions were on terms as favorable as could have been obtained from unrelated third parties.

Series E preferred stock financing

In December 2015, we issued and sold an aggregate of 24,810,759 shares of our Series E preferred stock at a price per share of approximately $2.25 in cash, for an aggregate purchase price of $55.8 million. The following table sets forth the aggregate numbers of shares of our Series E preferred stock that we sold to our 5% stockholders and their affiliates in this transaction and the aggregate amount of consideration for such shares:

<table>
<thead>
<tr>
<th>Purchaser(1)</th>
<th>Shares of series E preferred stock</th>
<th>Cash purchase price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Third Rock Ventures, L.P.(2)</td>
<td>2,285,640</td>
<td>$5,142,690</td>
</tr>
<tr>
<td>The Column Group, L.P.(3)</td>
<td>3,555,555</td>
<td>7,999,999</td>
</tr>
<tr>
<td>Entities affiliated with Venrock(4)</td>
<td>888,888</td>
<td>1,999,998</td>
</tr>
<tr>
<td>The Regents of the University of California</td>
<td>6,666,666</td>
<td>14,999,999</td>
</tr>
<tr>
<td>Entities affiliated with Topspin Partners</td>
<td>6,666,666</td>
<td>14,999,999</td>
</tr>
</tbody>
</table>

(1) See "Principal stockholders" for additional information about shares held by these entities.
(2) Dr. Tepper, a member of our board of directors, is a partner of Third Rock Ventures.
(3) Mr. Svennilson, a member of our board of directors, is a partner of The Column Group.
(4) Dr. Evnin, a member of our board of directors, is a partner of Venrock.

Series E-1 preferred stock financing

In September 2016, we issued and sold an aggregate of 13,884,691 shares of our Series E-1 preferred stock in the first tranche of our Series E-1 preferred stock financing at a price per share of $1.75 in cash, for an aggregate purchase price of $24.3 million. In July 2017, we issued and sold an aggregate of 13,846,174 shares of our Series E-1 preferred stock in the second tranche of our Series E-1 preferred stock financing at the same price per share as the first tranche for an aggregate purchase price of $24.2 million. The following table sets forth the aggregate numbers of shares of our Series E-1 preferred stock that we sold to our 5% stockholders and their affiliates in the first and second tranches and the aggregate amount of consideration for such shares:

<table>
<thead>
<tr>
<th>Purchaser(1)</th>
<th>Shares of series E-1 preferred stock at first closing</th>
<th>Cash purchase price</th>
<th>Shares of series E-1 preferred stock at second closing</th>
<th>Cash purchase price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Third Rock Ventures, L.P.(2)</td>
<td>1,553,965</td>
<td>$2,719,439</td>
<td>1,553,965</td>
<td>$2,719,439</td>
</tr>
<tr>
<td>Entities affiliated with The Column Group(3)</td>
<td>3,251,428</td>
<td>5,689,999</td>
<td>3,251,428</td>
<td>5,689,999</td>
</tr>
<tr>
<td>Entities affiliated with Venrock(4)</td>
<td>604,337</td>
<td>1,057,590</td>
<td>604,337</td>
<td>1,057,590</td>
</tr>
<tr>
<td>The Regents of the University of California</td>
<td>3,251,428</td>
<td>5,689,999</td>
<td>3,251,428</td>
<td>5,689,999</td>
</tr>
<tr>
<td>Entities affiliated with Topspin Partners</td>
<td>3,251,427</td>
<td>5,689,997</td>
<td>3,251,427</td>
<td>5,689,997</td>
</tr>
</tbody>
</table>

(1) See "Principal stockholders" for additional information about shares held by these entities.
Series F preferred stock financing

In March 2018, we issued and sold an aggregate of 68,500,000 shares of our Series F preferred stock at a price per share of $1.00 in cash, for an aggregate cash purchase price of $68.5 million. In April 2018, we issued and sold an aggregate of 31,250,000 shares of our Series F preferred stock in additional closings of our Series F preferred stock financing at the same price per share as at the first closing for an aggregate purchase price of $31.3 million. The following table sets forth the aggregate numbers of shares of our Series F preferred stock that we sold to our 5% stockholders and their affiliates in the first and second closings for cash and the aggregate amount of consideration for such shares:

<table>
<thead>
<tr>
<th>Purchaser(1)</th>
<th>Shares of series F preferred stock at first closing</th>
<th>Cash purchase price</th>
<th>Shares of series F preferred stock at second closing</th>
<th>Cash purchase price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Third Rock Ventures, L.P.(2)</td>
<td>—</td>
<td>$</td>
<td>1,000,000</td>
<td>$ 1,000,000</td>
</tr>
<tr>
<td>Entities affiliates with The Column Group(3)</td>
<td>10,000,000</td>
<td>10,000,000</td>
<td>10,000,000</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Entities affiliated with Venrock(4)</td>
<td>10,000,000</td>
<td>10,000,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>The Regents of the University of California</td>
<td>8,750,000</td>
<td>8,750,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Entities affiliated with Topspin Partners</td>
<td>—</td>
<td>—</td>
<td>4,500,000</td>
<td>4,500,000</td>
</tr>
<tr>
<td>Entities affiliated with Cormorant Asset Management</td>
<td>13,000,000</td>
<td>13,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
</tbody>
</table>

(1) See “Principal stockholders” for additional information about shares held by these entities.
(2) Dr. Tepper, a member of our board of directors, is a partner of Third Rock Ventures.
(3) Mr. Svennilson, a member of our board of directors, is a partner of The Column Group.
(4) Dr. Evnin, a member of our board of directors, is a partner of Venrock.

Loans to officers

In August 2009, we loaned $180,000 to Mark Goldsmith, a member of our board of directors who at the time was our president and chief executive officer, in connection with the early exercise of certain unvested options that we had granted to Dr. Goldsmith. The borrowed amount accrued interest at the rate of 2.8% per year, and the original repayment date of the loan was August 17, 2017. The loan was evidenced by a secured promissory note and was collateralized by all of our capital stock that he owned or would own in the future. On March 22, 2018, Dr. Goldsmith repaid the outstanding principal and interest due under the loan, and we terminated the promissory note.

In March 2011, we loaned $112,000 to James Audia, a member of our board of directors who at the time was our chief scientific officer, in connection with the early exercise of certain unvested options that we had granted to Dr. Audia. The borrowed amount accrued interest at the rate of 2.82% per year, and the original repayment date of the loan was March 20, 2019. The loan was evidenced by a secured promissory note and was collateralized by all of our capital stock that he owned or would own in the future. On March 21, 2018, Dr. Audia repaid the outstanding principal and interest due under the loan, and we terminated the promissory note.
Tax indemnification payments

We had an agreement with our stockholders in which we agreed to indemnify each of our stockholders to the extent of any tax liabilities incurred rising directly out of the non-exercise by Genentech in January 2012. As a result of Genentech not exercising its option, we paid $3.3 million to our stockholders, representing the estimated tax liability resulting from the non-exercise of Genentech's option, of which $2.3 million was paid in 2015, and the remaining $1.0 million was paid in 2016. Of this amount, (i) $0.1 million was paid to Mark Goldsmith, a member of our board of directors, (ii) $1.0 million was paid to Third Rock Ventures, L.P., one of our principal stockholders and Dr. Tepper, a member of our board of directors, is a partner of Third Rock Ventures, (iii) $0.5 million was paid to The Column Group, L.P., one of our principal stockholders and Mr. Svennilson, a member of our board of directors, is a partner of The Column Group, and (iv) $0.8 million was paid to entities affiliated with Venrock, one of our principal stockholders and Dr. Evnin, a member of our board of directors, is a partner of Venrock.

Consulting agreement with Adrian Senderowicz, M.D.

On May 2, 2017, we entered into a consulting agreement with Oncology Drug Development, LLC for the provision of consulting, advisory and related services. Adrian Senderowicz, M.D. served as president and the sole member of Oncology Drug Development, LLC prior to becoming our chief medical officer in July 2017, at which time the consulting agreement was terminated. From May 2017 until July 2017, we paid Oncology Drug Development, LLC an aggregate of $165,050 in connection with services provided pursuant to this agreement.

Registration rights

We are a party to an investor rights agreement with the holders of our preferred stock, including our 5% stockholders and their affiliates and entities affiliated with some of our directors. This investor rights agreement provides these holders the right, subject to certain conditions, beginning six months following the completion of this offering, to demand that we file a registration statement or to request that their shares be covered by a registration statement that we are otherwise filing.

See “Description of capital stock—Registration rights” for additional information regarding these registration rights.

Indemnification agreements

Our certificate of incorporation, which will become effective upon the closing of this offering, provides that we will indemnify our directors and officers to the fullest extent permitted by Delaware law. In addition, we intend to enter into indemnification agreements with all of our directors and executive officers prior to the completion of this offering. These indemnification agreements may require us, among other things, to indemnify each such director or executive officer for some expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by him or her in any action or proceeding arising out of his or her service as one of our directors or executive officers.

Policies and procedures for related person transactions

Our board of directors intends to adopt written policies and procedures for the review of any transaction, arrangement or relationship in which our company is a participant, the amount involved exceeds $120,000 and one of our executive officers, directors, director nominees or 5% stockholders, or their immediate family members, each of whom we refer to as a “related person,” has a direct or indirect material interest.
If a related person proposes to enter into such a transaction, arrangement or relationship, which we refer to as a “related person transaction,” the related person must report the proposed related person transaction to our general counsel or chief financial officer. The policy calls for the proposed related person transaction to be reviewed and, if deemed appropriate, approved by our audit committee. Whenever practicable, the reporting, review and approval will occur prior to entry into the transaction. If advance review and approval is not practicable, the committee will review, and, in its discretion, may ratify the related person transaction. The policy also permits the chairman of the audit committee to review and, if deemed appropriate, approve proposed related person transactions that arise between committee meetings, subject to ratification by the committee at its next meeting. Any related person transactions that are ongoing in nature will be reviewed annually.

A related person transaction reviewed under the policy will be considered approved or ratified if it is authorized by the audit committee after full disclosure of the related person's interest in the transaction. As appropriate for the circumstances, the audit committee will review and consider:

- the related person's interest in the related person transaction;
- the approximate dollar value of the amount involved in the related person transaction;
- the approximate dollar value of the amount of the related person's interest in the transaction without regard to the amount of any profit or loss;
- whether the transaction was undertaken in the ordinary course of our business;
- whether the terms of the transaction are no less favorable to us than terms that could have been reached with an unrelated third party;
- the purpose of, and the potential benefits to us of, the transaction; and
- any other information regarding the related person transaction or the related person in the context of the proposed transaction that would be material to investors in light of the circumstances of the particular transaction.

Our audit committee may approve or ratify the transaction only if it determines that, under all of the circumstances, the transaction is in or is not inconsistent with our best interests. Our audit committee may impose any conditions on the related person transaction that it deems appropriate.

In addition to the transactions that are excluded by the instructions to the SEC's related person transaction disclosure rule, our board of directors has determined that the following transactions do not create a material direct or indirect interest on behalf of related persons and, therefore, are not related person transactions for purposes of this policy:

- interests arising solely from the related person's position as an executive officer of another entity, whether or not the person is also a director of the entity, that is a participant in the transaction where the related person and all other related persons own in the aggregate less than a 10% equity interest in such entity, the related person and his or her immediate family members are not involved in the negotiation of the terms of the transaction and do not receive any special benefits as a result of the transaction and the amount involved in the transaction is less than the greater of $200,000 or 5% of the annual gross revenues of the company receiving payment under the transaction;
- interests arising solely from indebtedness of a 5% stockholder or an immediate family member of a 5% stockholder; and
- a transaction that is specifically contemplated by provisions of our certificate of incorporation or bylaws.

The policy provides that transactions involving compensation of executive officers shall be reviewed and approved by our compensation committee in the manner specified in the compensation committee's charter.
We did not have a written policy regarding the review and approval of related person transactions prior to this offering. Nevertheless, with respect to such transactions, it has been the practice of our board of directors to consider the nature of and business reasons for such transactions, how the terms of such transactions compared to those which might be obtained from unaffiliated third parties and whether such transactions were otherwise fair to and in the best interests of, or not contrary to, our best interests.
Principle stockholders

The following table sets forth information with respect to the beneficial ownership of our common stock as of May 31, 2018 by:

- each of our directors;
- each of our named executive officers;
- all of our directors and executive officers as a group; and
- each person, or group of affiliated persons, who is known by us to beneficially own more than 5% of our common stock.

The column entitled “Percentage of shares beneficially owned—Before offering” is based on a total of 238,889,883 shares of our common stock outstanding as of May 31, 2018, assuming the automatic conversion of all shares of our preferred stock outstanding as of May 31, 2018 into an aggregate of 225,705,965 shares of our common stock upon the closing of this offering. The column entitled “Percentage of shares beneficially owned—After offering” is based on shares of our common stock to be outstanding after this offering, including the shares of our common stock that we are selling in this offering, but not including any additional shares issuable upon exercise of outstanding options or warrants. The table also assumes the automatic conversion of outstanding warrants to purchase shares of our preferred stock into warrants to purchase shares of our common stock.

<table>
<thead>
<tr>
<th>Name</th>
<th>Percentage of shares beneficially owned—Before offering</th>
<th>Percentage of shares beneficially owned—After offering</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Doe</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>Jane Smith</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>David Brown</td>
<td>10%</td>
<td>11%</td>
</tr>
</tbody>
</table>

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Beneficial ownership is determined in accordance with the rules and regulations of the SEC and includes voting or investment power with respect to our common stock. Shares of our common stock subject to options and warrants that are currently exercisable or exercisable within 60 days after May 31, 2018 are considered outstanding and beneficially owned by the person holding the options for the purpose of calculating the percentage ownership of that person but not for the purpose of calculating the percentage ownership of any other person. Except as otherwise noted, the persons and entities in this table have sole voting and investing power with respect to all of the shares of our common stock beneficially owned by them, subject to community property laws, where applicable. Except as otherwise set forth below, the address of each beneficial owner is c/o Constellation Pharmaceuticals, Inc., 215 First Street, Suite 200, Cambridge, Massachusetts 02142.

<table>
<thead>
<tr>
<th>Name and address of beneficial owner</th>
<th>Number of shares beneficially owned</th>
<th>Percentage of shares beneficially owned Before offering (%)</th>
<th>After offering (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5% Stockholders</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entities affiliated with The Column Group(1)</td>
<td>51,832,775</td>
<td>21.7</td>
<td></td>
</tr>
<tr>
<td>Third Rock Ventures, L.P.(2)</td>
<td>30,469,688</td>
<td>12.7</td>
<td></td>
</tr>
<tr>
<td>Entities affiliated with Venrock(3)</td>
<td>26,433,091</td>
<td>11.1</td>
<td></td>
</tr>
<tr>
<td>The Regents of the University of California(4)</td>
<td>23,824,284</td>
<td>10.0</td>
<td></td>
</tr>
<tr>
<td>Entities affiliated with Topspin Partners(5)</td>
<td>19,574,282</td>
<td>8.2</td>
<td></td>
</tr>
<tr>
<td>Entities affiliated with Cormorant Asset Management(6)</td>
<td>14,000,000</td>
<td>5.9</td>
<td></td>
</tr>
<tr>
<td><strong>Directors and Named Executive Officers:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jigar Raythatha(7)</td>
<td>2,203,777</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Emma Reeve(8)</td>
<td>51,876</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Adrian Senderowicz, M.D.(9)</td>
<td>476,876</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Mark A. Goldsmith, M.D., Ph.D.(10)</td>
<td>2,027,083</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>James E. Audia, Ph.D.(11)</td>
<td>1,199,188</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Anthony Evnin, Ph.D.(12)</td>
<td>26,433,091</td>
<td>11.1</td>
<td></td>
</tr>
<tr>
<td>Peter Svennilson(13)</td>
<td>51,832,775</td>
<td>21.7</td>
<td></td>
</tr>
<tr>
<td>Robert Tepper, M.D.(14)</td>
<td>30,469,688</td>
<td>12.7</td>
<td></td>
</tr>
<tr>
<td>All current executive officers and directors as a group (8 persons)(15)</td>
<td>114,694,354</td>
<td>47.1</td>
<td></td>
</tr>
</tbody>
</table>

* Less than one percent

(1) Consists of (i) 333,333 shares of common stock issuable upon the exercise of warrants and 29,126,348 shares of common stock issuable upon the conversion of preferred stock held by The Column Group, LP; (ii) 121,666 shares of common stock, 13,251,428 shares of common stock issuable upon the conversion of preferred stock held by Ponoi Capital, LP and (iii) 10,000,000 shares of common stock issuable upon the conversion of preferred stock held by Ponoi Capital II, LP. The Column Group GP, LP is the general partner of The Column Group, LP. Ponoi Management, LLC is the general partner of Ponoi Capital, LP. Ponoi II Management, LLC is the general partner of Ponoi Capital II, LP. The managing partners of The Column Group GP, LP are David Goeddel and Peter Svennilson. The managing partners of Ponoi Management, LLC and Ponoi II Management, LLC, including Peter Svennilson, a member of our board of directors, may be deemed to share voting and investment power with respect to such shares. The address of The Column Group is 1700 Owens Street, Suite 500, San Francisco, CA 94158.

(2) Consists of 121,667 shares of common stock, 565,000 shares of common stock issuable upon the exercise of warrants and 29,783,021 shares of common stock issuable upon the conversion of preferred stock held by Third Rock Ventures, L.P., or TRV LP. Each of Third Rock Ventures GP, L.P., or TRV GP LP, the general partner of TRV LP, and Third Rock Ventures GP, LLC, or TRV GP LLC, the general partner of TRV GP LP, and Mark Levin, Kevin Starr and Robert Tepper, the managers of TRV GP LLC, may be deemed to share voting and investment power with respect to all shares held by TRV LP. Dr. Tepper, a member of our board of directors, disclaims beneficial ownership of all shares held by TRV LP, except to the extent of his pecuniary interest therein. The address of Third Rock Ventures is 29 Newbury Street, Boston, MA 02116.

(3) Consists of (i) 150,384 shares of common stock issuable upon the exercise of warrants and 16,481,802 shares of common stock issuable upon the conversion of preferred stock held by Venrock Associates V, L.P., or VAS; (ii) 12,750 shares of common stock issuable upon the exercise of warrants and 1,397,378 shares of common stock issuable upon the conversion of preferred stock held by Venrock Partners V, L.P., or VPS; (iii) 3,533 shares of common stock issuable upon the exercise of warrants and 387,244 shares of common stock issuable upon the conversion of
preferred stock held by Venrock Healthcare Capital Partners II, L.P., or VHCP II, and (v) 2,308,000 shares of common stock issuable upon the conversion of preferred stock held by Venrock Healthcare Capital Partners II, LLC, or VHCP II, and (vi) 5,692,000 shares of common stock issuable upon the conversion of preferred stock held by Venrock Healthcare Capital Partners II, LLC, or VHCP II, and (v) 2,308,000 shares of common stock issuable upon the conversion of preferred stock held by VHCP Co-Investment Holdings II, LLC, or VHCP Co-Invest II, Venrock Management V, LLC, or VMS, Venrock Partners Management V, LLC, or VPFMS, and VEF Management V, LLC, or VEFMS are the sole general partners of VAS, VPS and VEPFS, which collectively with VAS and VPS we refer to as the Venrock Funds, respectively, and may be deemed to own the shares held by the Venrock Funds. VMS, VPFMS and VEFMS disclaim beneficial ownership of all the shares held by the Venrock Funds except to the extent of their proportionate pecuniary interest therein. Dr. Evnin is a member of VMS, VPFMS and VEFMS and may be deemed to own the shares held by the Venrock Funds. Dr. Evnin disclaims beneficial ownership of all the shares held by the Venrock Funds, except to the extent of his indirect pecuniary interest therein. VHCP Management II, LLC, or VCHPM, is the sole general partner and the sole manager of VHCP II and VHCP Co-Invest II, which we refer to collectively with VHCP II Funds, respectively, and may be deemed to own the shares held by the VHCP II Funds. The VHCP II Funds may be deemed to be a “group” with the Venrock Funds within the meaning of Section 13 of the Securities and Exchange Act of 1934, as amended. Dr. Evnin disclaims beneficial ownership of all the shares held by the VHCP II Funds except to the extent of his proportionate pecuniary interest therein. The mailing address of the Venrock Funds and the VHCP II Funds is 3340 Hilview Ave., Palo Alto, CA 94304.

(4) Consists of 23,824,284 shares of common stock issuable upon the conversion of preferred stock held by the Regents of the University of California. The address of The Regents of the University of California is 1111 Broadway, Suite 1400, Oakland, CA 94607.

(5) Consists of (i) 14,069,332 shares of common stock issuable upon the conversion of preferred stock held by Topspin Biotech Fund II, LP, (ii) 4,901,978 shares of common stock issuable upon the conversion of preferred stock held by Topspin Fund, LP and (iii) 602,972 shares of common stock issuable upon the conversion of preferred stock held by MSSB C/I/ Leo A. Guthart. LG Management, LLC, the general partner of Topspin Fund, LP and Topspin Biotech Fund II, LP, may be deemed to have shared voting control and investment discretion over the shares of common stock held by Topspin Fund, LP and Topspin Biotech Fund II, LP. Leo A. Guthart is the managing member of LG Management, LLC and may be deemed to have shared voting control and investment discretion over the shares of common stock held by Topspin Fund, LP and Topspin Biotech Fund II, LP. Mr. Guthart may also be deemed to be a beneficial owner of the shares in MSSB C/I/ Leo A. Guthart, an individual retirement account in his name. Each of LG Management, LLC and Mr. Guthart disclaims beneficial ownership of these shares, except to the extent of their respective indirect pecuniary interests in such shares. The address of Topspin Partners is 3 Expressway Plaza, Roslyn Heights, NY 11577.

(6) Consists of (i) 10,260,600 shares of common stock issuable upon the conversion of preferred stock held by Cormorant Private Healthcare Fund I, LP, or Fund, (ii) 3,242,400 shares of common stock issuable upon the conversion of preferred stock held by Cormorant Global Healthcare Master Fund, LP, or Master Fund, and (iii) 497,000 shares of common stock issuable upon the conversion of preferred stock held by CRMA, a separately managed account. Cormorant Global Healthcare GP, LLC, or Master Fund LLC, serves as the general partner of Master Fund. Cormorant Private Healthcare GP, LLC, or Fund LLC, serves as the general partner of Fund. Bihua Chen serves as the managing member of Master Fund LLC, Fund LLC and CAM. Each of CAM, Master Fund, Master Fund LLC, Fund, Fund LLC, CRMA and Bihua Chen disclaims beneficial ownership of the shares reported herein, except to the extent of its or her pecuniary interest therein. The address of Cormorant Asset Management is 200 Clarendon Street, 52nd Floor, Boston, MA 02116.

(7) Consists of 164,715 shares of common stock held by Mr. Raythatha and 2,039,062 shares of common stock underlying options held by Mr. Raythatha that are exercisable as of May 31, 2018 or will become exercisable within 60 days after such date.

(8) Consists of shares of common stock underlying options held by Ms. Reeve that are exercisable as of May 31, 2018 or will become exercisable within 60 days after such date.

(9) Consists of shares of common stock underlying options held by Dr. Senderowicz that are exercisable as of May 31, 2018 or will become exercisable within 60 days after such date.

(10) Consists of (i) 1,435,000 shares of common stock held by Dr. Goldsmith, (ii) 140,000 shares of common stock held by the Goldsmith Children 2011 Irrevocable Education Trust, of which Dr. Goldsmith is the trustee, and (iii) 452,083 shares of common stock underlying options held by Dr. Goldsmith that are exercisable as of May 31, 2018 or will become exercisable within 60 days after such date.

(11) Consists of 760,000 shares of common stock held by Dr. Audia, and 439,188 shares of common stock underlying options held by Dr. Audia that are exercisable as of May 31, 2018 or will become exercisable within 60 days after such date.

(12) Consists of the shares described in Note 3 above. Dr. Evnin, a member of our board of directors, is a partner of Venrock and may be deemed the indirect beneficial owner of such shares. Dr. Evnin disclaims beneficial ownership over such shares, except to the extent of his proportionate pecuniary interest therein.

(13) Consists of the shares described in Note 1 above. Mr. Svennilson, a member of our board of directors, is a partner of The Column Group and may be deemed the indirect beneficial owner of such shares. Mr. Svennilson disclaims beneficial ownership over such shares, except to the extent of his pecuniary interest therein.

(14) Consists of the shares described in Note 2 above. Mr. Tepper, a member of our board of directors, is a partner of Third Rock Ventures and may be deemed the indirect beneficial owner of such shares. Mr. Tepper disclaims beneficial ownership over such shares, except to the extent of his pecuniary interest therein.

(15) Includes (i) 3,459,085 shares of common stock underlying options that are exercisable as of May 31, 2018 or will become exercisable within 60 days after such date and (ii) 1,065,000 shares of common stock issuable upon the exercise of warrants that are exercisable as of May 31, 2018 or will become exercisable within 60 days after such date.
Description of capital stock

The following description of our capital stock and provisions of our certificate of incorporation and bylaws are summaries and are qualified by reference to the certificate of incorporation and the bylaws that will be in effect upon the closing of this offering. We will file copies of these documents with the SEC as exhibits to our registration statement of which this prospectus is a part. The description of the capital stock reflects changes to our capital structure that will occur upon the closing of this offering.

Upon the closing of this offering, our authorized capital stock will consist of shares of our common stock, par value $0.0001 per share, and shares of our preferred stock, par value $0.001 per share, all of which preferred stock will be undesignated.

As of May 31, 2018, we had issued and outstanding:

- 13,183,918 shares of our common stock held by 126 stockholders of record;
- 32,158,888 shares of our Series A preferred stock held by 8 stockholders of record, convertible into 32,158,888 shares of our common stock;
- 31,041,665 shares of our Series B preferred stock held by 9 stockholders of record, convertible into 31,041,665 shares of our common stock;
- 3,125,000 shares of our Series D preferred stock held by 8 stockholders of record, convertible into 3,125,000 shares of our common stock;
- 24,810,759 shares of our Series E preferred stock held by 22 stockholders of record, convertible into 31,899,547 shares of our common stock;
- 27,730,865 shares of our Series E-1 preferred stock held by 18 stockholders of record, convertible into 27,730,865 shares of our common stock; and
- 99,750,000 shares of our Series F preferred stock held by 31 stockholders of record, convertible into 99,750,000 shares of our common stock.

Upon the closing of this offering, all of the shares of our preferred stock outstanding as of May 31, 2018 will automatically convert into an aggregate of 225,705,965 shares of our common stock.

Common stock

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders and do not have cumulative voting rights. Each election of directors by our stockholders will be determined by a plurality of the votes cast by the stockholders entitled to vote on the election. Other matters will be decided by the affirmative vote of our stockholders having a majority in voting power of the votes cast by the stockholders present or represented and voting on such matter. Holders of common stock are entitled to receive proportionately any dividends as may be declared by our board of directors, subject to any preferential dividend rights of outstanding preferred stock.

In the event of our liquidation or dissolution, the holders of our common stock are entitled to receive proportionately all assets available for distribution to stockholders after the payment of all debts and other liabilities and subject to the prior rights of any of our outstanding preferred stock. Holders of our common stock have no preemptive, subscription, redemption or conversion rights. The rights, preferences and privileges of 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.
Preferred stock

Under the terms of our certificate of incorporation that will become effective upon the closing of this offering, our board of directors is authorized to issue shares of preferred stock in one or more series without stockholder approval. Our board of directors has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock.

The purpose of authorizing our board of directors to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, future financings and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or could discourage a third party from seeking to acquire, a majority of our outstanding voting stock. Upon the closing of this offering, there will be no shares of preferred stock outstanding, and we have no present plans to issue any shares of preferred stock.

Warrants

As of May 31, 2018, we had outstanding:

• warrants to purchase up to an aggregate of 375,000 shares of our Series B preferred stock, at an exercise price of $1.20 per share, which we refer to as the Series B warrants, which will, upon the closing of this offering, become exercisable for an aggregate of 375,000 shares of our common stock, at an exercise price of $1.20 per share; and

• warrants to purchase up to an aggregate of 1,250,000 shares of our common stock, at an exercise price of $0.14 per share.

Each of these warrants provide for adjustments in the event of specified reclassifications, stock dividends, stock splits or other changes in our corporate structure.

Options and unvested restricted common stock

As of May 31, 2018, options to purchase an aggregate of 29,169,568 shares of our common stock, at a weighted average exercise price of $0.58 per share, and 5,625 shares of unvested restricted common stock were outstanding.

Delaware anti-takeover law and certain charter and bylaw provisions

Delaware law

We are subject to Section 203 of the DGCL. Subject to certain exceptions, Section 203 prevents a publicly held Delaware corporation from engaging in a “business combination” with any “interested stockholder” for three years following the date that the person became an interested stockholder, unless either the interested stockholder attained such status with the approval of our board of directors, the business combination is approved by our board of directors and stockholders in a prescribed manner or the interested stockholder acquired at least 85% of our outstanding voting stock in the transaction in which it became an interested stockholder. A “business combination” includes, among other things, a merger or consolidation involving us and the “interested stockholder” and the sale of more than 10% of our assets. In general, an “interested stockholder” is any entity or person beneficially owning 15% or more of our outstanding voting stock and any entity or person affiliated with or controlling or controlled by such entity or person. The restrictions contained in Section 203 are not applicable to any of our existing stockholders that will own 15% or more of our outstanding voting stock upon the closing of this offering.
Our certificate of incorporation and our bylaws to be effective upon the closing of this offering divide our board of directors into three classes with staggered three-year terms. In addition, our certificate of incorporation and our bylaws to be effective upon the closing of this offering provide that directors may be removed only for cause and only by the affirmative vote of the holders of 75% of our shares of capital stock present in person or by proxy and entitled to vote. Under our certificate of incorporation and our bylaws to be effective upon the closing of this offering, any vacancy on our board of directors, including a vacancy resulting from an enlargement of our board of directors, may be filled only by vote of a majority of our directors then in office. Furthermore, our certificate of incorporation to be effective upon the closing of this offering provides that the authorized number of directors may be changed only by the resolution of our board of directors. The classification of our board of directors and the limitations on the ability of our stockholders to remove directors, change the authorized number of directors and fill vacancies could make it more difficult for a third party to acquire, or discourage a third party from seeking to acquire, control of our company.

Stockholder action; special meeting of stockholders; advance notice requirements for stockholder proposals and director nominations

Our certificate of incorporation and our bylaws to be effective upon the closing of this offering provide that any action required or permitted to be taken by our stockholders at an annual meeting or special meeting of stockholders may only be taken if it is properly brought before such meeting and may not be taken by written action in lieu of a meeting. Our certificate of incorporation and our bylaws to be effective upon the closing of this offering also provide that, except as otherwise required by law, special meetings of the stockholders can only be called by our board of directors. In addition, our bylaws to be effective upon the closing of this offering establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of stockholders, including proposed nominations of candidates for election to our board of directors. Stockholders at an annual meeting may only consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our board of directors, or by a stockholder of record on the record date for the meeting who is entitled to vote at the meeting and who has delivered timely written notice in proper form to our secretary of the stockholder's intention to bring such business before the meeting. These provisions could have the effect of delaying until the next stockholder meeting stockholder actions that are favored by the holders of a majority of our outstanding voting securities. These provisions also could discourage a third party from making a tender offer for our common stock because even if the third party acquired a majority of our outstanding voting stock, it would be able to take action as a stockholder, such as electing new directors or approving a merger, only at a duly called stockholders meeting and not by written consent.

Super-majority voting

The DGCL provides generally that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or bylaws unless a corporation's certificate of incorporation or bylaws, as the case may be, requires a greater percentage. Our bylaws to be effective upon the closing of this offering may be amended or repealed by a majority vote of our board of directors or the affirmative vote of the holders of at least 75% of the votes that all our stockholders would be entitled to cast in any annual election of directors. In addition, the affirmative vote of the holders of at least 75% of the votes that all our stockholders would be entitled to cast in any election of directors is required to amend or repeal or to adopt any provisions inconsistent with any of the provisions of our certificate of incorporation described above.
Exclusive forum selection

Our certificate of incorporation to be effective upon the closing of this offering provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware does not have jurisdiction, the federal district court for the District of Delaware) shall be the sole and exclusive forum for (1) any derivative action or proceeding brought on behalf of our company, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or stockholders to our company or our stockholders, (3) any action asserting a claim arising pursuant to any provision of the DGCL or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (4) any action asserting a claim arising pursuant to any provision of our certificate of incorporation or bylaws (in each case, as they may be amended from time to time) or governed by the internal affairs doctrine. Although our certificate of incorporation contains the choice of forum provision described above, it is possible that a court could rule that such a provision is inapplicable for a particular claim or action or that such provision is unenforceable.

Registration rights

We have entered into a fifth amended and restated investor rights agreement dated as of March 22, 2018, or the investor rights agreement, with holders of our preferred stock. Beginning six months following the closing of this offering, holders of a total of 225,949,298 shares of our common stock will have the right to require us to register these shares under the Securities Act under specified circumstances. We refer to the shares with these registration rights as registrable securities. After registration pursuant to these rights, the registrable securities will become freely tradable without restriction under the Securities Act.

Demand and form S-3 registration rights

Beginning 180 days after this offering, subject to specified limitations set forth in the investor rights agreement, at any time, the holders of more than 50% of the then outstanding registrable securities may demand that we register registrable securities then outstanding under the Securities Act for purposes of a public offering having an aggregate offering price to the public of not less than $5.0 million. We are not obligated to file a registration statement pursuant to this provision on more than three occasions.

In addition, subject to specified limitations set forth in the investor rights agreement, at any time after we become eligible to file a registration statement on Form S-3, holders of the registrable securities having an aggregate value of at least $25.0 million may request that we register their registrable securities on Form S-3 for purposes of a public offering for which the reasonably anticipated aggregate offering price to the public would exceed $1.0 million. We are not obligated to file a registration statement pursuant to this provision on more than two occasions in any 12-month period.

Incidental registration rights

If, at any time after the closing of this offering, we propose to register for our own account any of our securities under the Securities Act, the holders of registrable securities will be entitled to notice of the registration and, subject to specified exceptions, have the right to require us to use our commercially reasonable efforts to register all or a portion of the registrable securities then held by them in that registration.

In the event that any registration in which the holders of registrable securities participate pursuant to our investor rights agreement is an underwritten public offering, we have agreed to enter into an underwriting agreement in usual and customary form and use our reasonable best efforts to facilitate such offering.
Expenses

Pursuant to the investor rights agreement, we are required to pay all registration expenses, including all registration and filing fees, exchange listing fees, printing expenses, fees and expenses of one counsel selected by the selling stockholders to represent the selling stockholders, state Blue Sky fees and expenses, and the expense of any special audits incident to or required by any such registration, but excluding underwriting discounts, selling commissions and the fees and expenses of the selling stockholders' own counsel (other than the counsel selected to represent all selling stockholders). If a registration is withdrawn at the request of the stockholders initiating the registration, then the stockholders will bear the expenses of the registration.

The investor rights agreement contains customary cross-indemnification provisions, pursuant to which we are obligated to indemnify the selling stockholders in the event of material misstatements or omissions in the registration statement attributable to us or any violation or alleged violation whether by action or inaction by us under the Securities Act, the Exchange Act, any state securities or Blue Sky law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities or Blue Sky law in connection with such registration statement or the qualification or compliance of the offering, and they are obligated to indemnify us for material misstatements or omissions in the registration statement attributable to them.

Transfer agent and registrar

The transfer agent and registrar for our common stock will be Computershare Trust Company, N.A.

Nasdaq Global Market

We have applied to have our common stock listed on the Nasdaq Global Market under the symbol “CNST.”
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 substantial amounts of our common stock in the public market, including shares issued upon exercise of outstanding options, or the anticipation of these sales, could adversely affect market prices prevailing from time to time and could impair our ability to raise capital through sales of equity securities.

Upon the closing of this offering, we will have outstanding shares of our common stock, based on the 13,183,918 shares of our common stock that were outstanding on May 31, 2018, after giving effect to the issuance of shares of our common stock in this offering, assuming no exercise by the underwriters of their option to purchase additional shares of our common stock, and the conversion of all shares of our preferred stock outstanding as of May 31, 2018 into an aggregate of 225,705,965 shares of our common stock upon the closing of this offering. Of these shares, all shares sold in this offering will be freely tradable without restriction under the Securities Act of 1933, as amended, or the Securities Act, unless purchased by our “affiliates,” as that term is defined in Rule 144 under the Securities Act. The remaining shares of our common stock will be “restricted securities” under Rule 144, and we expect that substantially all of these restricted securities will be subject to the 180-day lock-up period under the lock-up agreements as described below. These restricted securities may be sold in the public market upon release or waiver of any applicable lock-up agreements and only if registered or pursuant to an exemption from registration, such as Rule 144 or 701 under the Securities Act.

Rule 144

In general, under Rule 144, beginning 90 days after the date of this prospectus, any person who is not our affiliate and has held their shares for at least six months, including the holding period of any prior owner other than one of our affiliates, may sell those shares without restriction, subject to the availability of current public information about us. In addition, under Rule 144, any person who is not our affiliate and has not been our affiliate at any time during the preceding three months and has held their shares for at least one year, including the holding period of any prior owner other than one of our affiliates, would be entitled to sell an unlimited number of shares immediately upon the closing of this offering without regard to whether current public information about us is available.

Beginning 90 days after the date of this prospectus, a person who is our affiliate or who was our affiliate at any time during the preceding three months and who has beneficially owned restricted securities for at least six months, including the holding period of any prior owner other than one of our affiliates, is entitled to sell a number of shares within any three-month period that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after this offering; and
- the average weekly trading volume in our common stock on the Nasdaq Global Market during the four calendar weeks preceding the date of filing of a Notice of Proposed Sale of Securities Pursuant to Rule 144 with respect to the sale.

Sales under Rule 144 by our affiliates are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us.

Upon waiver or expiration of the 180-day lock-up period described below, approximately shares of our common stock will be eligible for sale under Rule 144. We cannot estimate the number of shares of our common stock that our existing stockholders will elect to sell under Rule 144.
Rule 701

In general, under Rule 701 of the Securities Act, any of our employees, consultants or advisors, other than our affiliates, who purchased shares from us in connection with a qualified compensatory stock plan or other written agreement is eligible to resell these shares 90 days after the date of this prospectus in reliance on Rule 144, but without compliance with the various restrictions, including the availability of public information about us, holding period and volume limitations, contained in Rule 144. Subject to the 180-day lock-up period described below, approximately shares of our common stock, based on shares outstanding as of , 2018 will be eligible for sale in accordance with Rule 701.

Lock-up agreements

We, and each of our executive officers and directors and the holders of substantially all of our outstanding stock have agreed that, without the prior written consent of J.P. Morgan Securities LLC and Jefferies LLC, on behalf of the underwriters, we and they will not, subject to limited exceptions, during the period ending 180 days after the date of this prospectus:

- 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, or file with the SEC a registration statement under the Securities Act relating to, any shares of our common stock or any securities convertible into or exercisable or exchangeable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge or disposition;

- enter into any swap or other agreement that transfers all or any portion of the economic consequences associated with the ownership of any shares of common stock or any such other securities (regardless of whether any of these transactions are to be settled by the delivery of shares of common stock, or such other securities, in cash or otherwise); or

- to the extent applicable, make any demand for or exercise any right with respect to the registration of any shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock.

These agreements are subject to certain exceptions, as described in the section of this prospectus entitled “Underwriting.”

Registration rights

Beginning six months after the closing of this offering, the holders of an aggregate of 225,949,298 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 “Description of capital stock—Registration rights” for additional information regarding these registration rights.
Stock options and Form S-8 registration statement

As of May 31, 2018, we had outstanding options to purchase an aggregate of 29,169,568 shares of our common stock under the 2008 Plan, of which options to purchase 6,551,198 shares were vested. Following this offering, we intend to file a registration statement on Form S-8 under the Securities Act to register all of the shares of our common stock subject to outstanding options and reserved for future options and other awards under the 2008 Plan, the 2018 Plan and the 2018 ESPP. See “Executive compensation—Stock option and other compensation plans” for additional information regarding these plans. Accordingly, shares of our common stock registered under the registration statements will be available for sale in the open market, subject to Rule 144 volume limitations applicable to affiliates, and subject to any vesting restrictions and lock-up agreements applicable to these shares.

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Material U.S. federal income and estate tax considerations for non-U.S. holders of common stock

The following is a discussion of material U.S. federal income and estate tax considerations relating to the ownership and disposition of shares of our common stock acquired in this offering by a non-U.S. holder. For purposes of this discussion, the term “non-U.S. holder” means a beneficial owner (other than a partnership or other pass-through entity) of our common stock that is not, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity treated as a corporation, created or organized in or under the laws of the United States or of any political subdivision of the United States;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (1) a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust or (2) the trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

This discussion does not address the tax treatment of partnerships or other entities that are pass-through entities for U.S. federal income tax purposes or persons who hold shares of our common stock through partnerships or such other pass-through entities. The tax treatment of a partner in a partnership or other entity that is treated as a pass-through entity for U.S. federal income tax purposes generally will depend upon the status of the partner and the activities of the partnership. A partner in a partnership or other pass-through entity that will hold our common stock should consult his, her or its own tax advisor regarding the tax consequences of the ownership and disposition of our common stock through a partnership or other pass-through entity, as applicable.

This discussion is based on current provisions of the U.S. Internal Revenue Code of 1986, as amended, which we refer to as the Code, existing and proposed U.S. Treasury Regulations promulgated thereunder, current administrative rulings and judicial decisions, all as in effect as of the date of this prospectus and all of which are subject to change or to differing interpretation, possibly with retroactive effect. Any change or differing interpretation could alter the tax consequences to non-U.S. holders described in this prospectus. There can be no assurance that the Internal Revenue Service, or the IRS, will not challenge one or more of the tax consequences described in this prospectus.

This discussion addresses only non-U.S. holders that hold shares of our common stock as a capital asset (generally, property held for investment) for U.S. federal income tax purposes. This discussion does not address all aspects of U.S. federal income and estate taxation that may be relevant to a particular non-U.S. holder in light of that non-U.S. holder’s individual circumstances nor does it address any aspects of U.S. state, local or non-U.S. taxes, the alternative minimum tax, or the Medicare tax on net investment income. This discussion also does not consider any specific facts or circumstances that may apply to a non-U.S. holder and does not address the special tax rules applicable to particular non-U.S. holders, such as:

- financial institutions;
- brokers or dealers in securities;
- tax-exempt organizations;
- pension plans;
• owners that hold our common stock as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment or who have elected to mark securities to market;

• insurance companies;

• controlled foreign corporations;

• passive foreign investment companies;

• non-U.S. governments; and

• certain U.S. expatriates.

THIS DISCUSSION IS FOR INFORMATION ONLY AND IS NOT, AND IS NOT INTENDED TO BE, LEGAL OR TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE U.S. FEDERAL, STATE, LOCAL, ESTATE AND NON-U.S. INCOME AND OTHER TAX CONSIDERATIONS OF ACQUIRING, HOLDING AND DISPOSING OF OUR COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGES IN APPLICABLE LAWS.

Distributions
As discussed under the heading “Dividend policy” above, we do not expect to pay cash dividends to holders of our common stock in the foreseeable future. If we make distributions in respect of our common stock, those distributions generally 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, subject to the tax treatment described in this section. If a distribution exceeds our current and accumulated earnings and profits, the excess will be treated as a tax-free return of the non-U.S. holder’s investment, up to the non-U.S. holder’s tax basis in the common stock. Any remaining excess will be treated as capital gain, subject to the tax treatment described below under the heading “Gain on sale, exchange or other taxable disposition of our common stock.” Any such distributions will also be subject to the discussions below under the headings “Information reporting and backup withholding” and “FATCA.”

Dividends paid to a non-U.S. holder generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty between the United States and such holder’s country of residence.

Dividends that are treated as effectively connected with a trade or business conducted by a non-U.S. holder within the United States, and, if an applicable income tax treaty so provides, that are attributable to a permanent establishment or a fixed base maintained by the non-U.S. holder within the United States, are generally exempt from the 30% withholding tax if the non-U.S. holder satisfies applicable certification and disclosure requirements (generally including provision of a properly executed IRS Form W-8ECI (or applicable successor form) certifying that the dividends are effectively connected with the non-U.S. holder’s conduct of a trade or business within the United States). However, such U.S. effectively connected income is taxed on a net income basis at the same U.S. federal income tax rates applicable to U.S. persons (as defined in the Code). Any U.S. effectively connected income received by a non-U.S. holder that is classified as a corporation for U.S. federal income tax purposes may also, under certain circumstances, be subject to an additional “branch profits tax” at a 30% rate or such lower rate as may be specified by an applicable income tax treaty between the United States and such holder’s country of residence.

A non-U.S. holder of our common stock who claims the benefit of an applicable income tax treaty between the United States and such holder’s country of residence generally will be required to provide a properly executed IRS Form W-8BEN or W-8BEN-E (or successor form) and satisfy applicable certification and other requirements.
Non-U.S. holders are urged to consult their own tax advisors regarding their entitlement to benefits under a relevant income tax treaty and the specific methods available to them to satisfy these requirements.

A non-U.S. holder that is eligible for a reduced rate of U.S. withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim with the IRS.

**Gain on sale, exchange or other taxable disposition of our common stock**

Subject to the discussion below under the headings “Information reporting and backup withholding” and “FATCA,” a non-U.S. holder generally will not be subject to U.S. federal income tax or withholding tax on any gain realized upon such non-U.S. holder’s sale, exchange 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 an applicable income tax treaty so provides, the gain is attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the United States, in which case, the non-U.S. holder generally will be taxed on a net income basis at the U.S. federal income tax rates applicable to U.S. persons with respect to the gain, and, if the non-U.S. holder is a foreign corporation, an additional branch profits tax at a rate of 30% (or a lower rate as may be specified by an applicable income tax treaty between the United States and such holder’s country of residence) may also apply;

- the non-U.S. holder is a non-resident alien present in the United States for 183 days or more in the taxable year of the disposition and certain other requirements are met, in which case the non-U.S. holder will be subject to a 30% tax (or such lower rate as may be specified by an applicable income tax treaty between the United States and such holder’s country of residence) on the net gain derived from the disposition, which may be offset by certain U.S.-source capital losses of the non-U.S. holder, if any; or

- we are, or have been, at any time during the five-year period preceding such disposition (or the non-U.S. holder’s holding period, if shorter) a “U.S. real property holding corporation,” unless our common stock is regularly traded on an established securities market and the non-U.S. holder held no more than 5% of our outstanding common stock, directly or indirectly, during the shorter of the five-year period ending on the date of the disposition or the period that the non-U.S. holder held our common stock. If we are determined to be a “U.S. real property holding corporation” and the foregoing exception does not apply, then the non-U.S. holder generally will be taxed on its net gain derived from the disposition at the U.S. federal income tax rates applicable to U.S. persons. Generally, a corporation is a “U.S. real property holding corporation” only if the fair market value of its “U.S. real property interests” (as defined in the Code and applicable regulations) equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. Although there can be no assurance, we do not believe that we are, or have been, a “U.S. real property holding corporation” for U.S. federal income tax purposes, or that we are likely to become one in the future. No assurance can be provided that our common stock will be regularly traded on an established securities market for purposes of the rule described above.

**U.S. federal estate tax**

Shares of our common stock that are owned or treated as owned by an individual who is not a citizen or resident of the United States (as specially defined for U.S. federal estate tax purposes) at the time of death are considered U.S.-situs assets and will be included in the individual’s gross estate for U.S. federal estate tax purposes. Such shares, therefore, may be subject to U.S. federal estate tax, unless an applicable estate tax or other treaty provides otherwise.
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Information reporting and backup withholding

We must report annually to the IRS and to each non-U.S. holder the gross amount of the distributions on our common stock paid to such holder and the tax withheld, if any, with respect to such distributions. Non-U.S. holders generally will have to comply with specific certification procedures to establish that the holder is not a U.S. person (as defined in the Code) in order to avoid backup withholding at the applicable rate with respect to dividends on our common stock. Generally, a non-U.S. holder will comply with such procedures if it provides a properly executed IRS Form W-8BEN or W-8BEN-E (or other applicable IRS Form W-8), or otherwise meets documentary evidence requirements for establishing that it is a non-U.S. holder, or otherwise establishes an exemption. Dividends paid to non-U.S. holders subject to withholding of U.S. federal income tax, as described above under the heading “—Distributions,” will generally be exempt from U.S. backup withholding.

Information reporting and backup withholding generally will apply to the proceeds of a disposition of our common stock by a non-U.S. holder effected by or through the U.S. office of any broker, U.S. or non-U.S., unless the holder certifies its status as a non-U.S. holder and satisfies certain other requirements, or otherwise establishes an exemption. Generally, information reporting and backup withholding will not apply to a payment of disposition proceeds to a non-U.S. holder where the transaction is effected outside the United States through a non-U.S. office of a broker. However, for information reporting purposes, dispositions effected through a non-U.S. office of a broker with substantial U.S. ownership or operations generally will be treated in a manner similar to dispositions effected through a U.S. office of a broker. Non-U.S. holders should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

Copies of information returns may be made available to the tax authorities of the country in which the non-U.S. holder resides or is incorporated under the provisions of a specific treaty or agreement.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a non-U.S. holder can be refunded or credited against the non-U.S. holder’s U.S. federal income tax liability, if any, provided that an appropriate claim is timely filed with the IRS.

FATCA

Provisions of the Code commonly referred to as the Foreign Account Tax Compliance Act, or FATCA, generally impose a 30% withholding tax on dividends on, and gross proceeds from the sale or disposition of, our common stock if paid to a foreign entity unless (i) if the foreign entity is a “foreign financial institution,” the foreign entity undertakes certain due diligence, reporting, withholding and certification obligations, (ii) if the foreign entity is not a “foreign financial institution,” the foreign entity identifies certain of its U.S. investors, if any, or (iii) the foreign entity is otherwise exempt under FATCA.

Withholding under FATCA generally (1) applies to payments of dividends on our common stock, and (2) will apply to payments of gross proceeds from a sale or other disposition of our common stock made after December 31, 2018. An intergovernmental agreement between the United States and an applicable foreign country may modify the requirements described in this section. Under certain circumstances, a non-U.S. holder may be eligible for refunds or credits of the tax. Non-U.S. holders should consult their own tax advisors regarding the possible implications of FATCA on their investment in our common stock and the entities through which they hold our common stock, including, without limitation, the process and deadlines for meeting the applicable requirements to prevent the imposition of the 30% withholding tax under FATCA.

The preceding discussion of material U.S. federal tax considerations is for information only. It is not, and is not intended to be, legal or tax advice. Prospective investors should consult their own tax advisors regarding the particular U.S. federal, state, local, estate and non-U.S. income and other tax consequences of acquiring, holding and disposing of our common stock, including the consequences of any proposed changes in applicable laws.

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Underwriting

We are offering the shares of common stock described in this prospectus through a number of underwriters. J.P. Morgan Securities LLC and Jefferies LLC are acting as representatives of the underwriters. We have entered into an underwriting agreement with the representatives. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the initial public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares of common stock listed next to its name in the following table:

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Shares</th>
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<tbody>
<tr>
<td>J.P. Morgan Securities LLC</td>
<td></td>
</tr>
<tr>
<td>Jefferies LLC</td>
<td></td>
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<tr>
<td>BMO Capital Markets Corp.</td>
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<tr>
<td>Oppenheimer &amp; Co. Inc.</td>
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</tr>
<tr>
<td>Total</td>
<td></td>
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</tbody>
</table>

The underwriters are committed to purchase all the shares of common stock offered by us if they purchase any shares. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the common stock directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of $ per share. Any such dealers may resell shares to certain other brokers or dealers at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares to the public, the offering price and other selling terms may be changed by the underwriters. Sales of shares made outside of the United States may be made by affiliates of the underwriters. 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.

The underwriters have an option to buy up to additional shares of common stock from us to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this option to purchase additional shares. If any shares are purchased with this option to purchase additional shares, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares of common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriters to us per share of common stock. The underwriting fee is $ per share. The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters’ option to purchase additional shares:

<table>
<thead>
<tr>
<th></th>
<th>Without exercise of option to purchase additional shares</th>
<th>With full exercise of option to purchase additional shares</th>
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</thead>
<tbody>
<tr>
<td>Per Share</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Total</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be 193
approximately $\ldots$ We have agreed to reimburse the underwriters for expenses relating to the clearance of this offering with the Financial Industry Regulatory Authority, Inc. up to $\ldots$.

A prospectus in electronic format may be made available on the websites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We have agreed that we will not (i) offer, pledge, 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, or file with the SEC a registration statement under the Securities Act relating to, any shares of our common stock or any securities convertible into or exercisable or exchangeable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, or (ii) enter into any swap or other agreement that transfers all or any portion of the economic consequences associated with the ownership of any shares of common stock or any such other securities (regardless of whether any of these transactions are to be settled by the delivery of shares of common stock, or such other securities, in cash or otherwise), in each case without the prior written consent of J.P. Morgan Securities LLC and Jefferies LLC on behalf of the underwriters for a period of 180 days after the date of this prospectus, subject to certain exceptions. Such exceptions include:

- the sale of shares to the underwriters in this offering;
- any shares of our common stock issued upon the exercise of options granted under our stock-based compensation plans or warrants described herein;
- any options or other awards granted under our stock-based compensation plans described herein, provided, that each recipient of such grant will execute a lock-up agreement substantially on the terms described herein if such recipient has not already delivered one;
- the filing by us of any registration statement on Form S-8 relating to shares of our common stock granted pursuant to or reserved for issuance under our stock-based compensation plans described herein; and
- shares of our common stock or other securities issued in connection with a transaction with an unaffiliated third party that includes a debt financing or a bona fide commercial relationship (including joint ventures, marketing or distribution arrangements, collaboration agreements or intellectual property license agreements) or any acquisition of assets or acquisition of not less than a majority or controlling portion of the equity of another entity, provided that (x) the aggregate number of shares issued pursuant to this bullet point will not exceed $\ldots$ of the total number of outstanding shares of our common stock immediately following the issuance and sale of the shares in this offering and (y) the recipient of any such shares and securities issued pursuant to this bullet point during the 180-day restricted period described above will enter into a lock-up agreement substantially on the terms described herein.

Our directors, executive officers and stockholders representing the aggregate of our outstanding common stock have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each of these persons or entities, with limited exceptions, for a period of 180 days after the date of this prospectus, may not, without the prior written consent of J.P. Morgan Securities LLC and Jefferies LLC on behalf of the underwriters (1) 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 our common stock or any securities convertible into or exercisable or exchangeable for our common stock (including, without limitation, common stock or such
other securities which may be deemed to be beneficially owned by such directors, executive officers and stockholders in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant), or publicly disclose the intention to make any offer, sale, pledge or disposition, (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the common stock or such other securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of common stock or such other securities, in cash or otherwise, or (3) make any demand for or exercise any right with respect to the registration of any shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock, in each case, subject to certain exceptions. Such exceptions include:

- transfers of shares of our common stock acquired in this offering or acquired in open market transactions following this offering;

- subject to certain limitations, transfers of shares of our common stock by will, other testamentary document or intestate succession, or solely by operation of law, such as pursuant to a qualified domestic order or in connection with a divorce settlement;

- subject to certain limitations, transfers of shares of our common stock as a bona fide gift or gifts, or to any trust for the direct or indirect benefit of the director, executive officers or stockholder or the immediate family of such person;

- subject to certain limitations, transfers of shares of our common stock to the members, limited or general partners or stockholders of such person, its direct or indirect affiliates or other entities controlled or managed by such person;

- subject to certain limitations, transfers of shares of our common stock prior to the first public filing of a prospectus for this offering;

- subject to certain limitations, transfers of shares of our common stock pursuant to agreements under which we have the option to repurchase such shares or a right of first refusal with respect to transfers of such shares upon termination of service of such person;

- transfers of shares of our common stock pursuant to the conversion of outstanding shares of our preferred stock into shares of our common stock in connection with the closing of this offering (which shares will be subject to these restrictions on transfer);

- subject to certain limitations, the exercise of stock options to purchase shares of our common stock or warrants to purchase shares of our common stock (or any securities convertible into or exercisable or exchangeable for shares of our common stock) (which shares will be subject to these restrictions on transfer);

- subject to certain limitations, the establishment of a written trading plan meeting the requirements of Rule 10b5-1 under the Exchange Act; and

- transfers of shares of our common stock (or any securities convertible into or exercisable or exchangeable for shares of our common stock) pursuant to a bona fide third party tender offer, merger, consolidation or other similar transaction made to all holders of shares of our common stock involving a change of control of the ownership of the company.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

We have applied to have our common stock approved for listing on the Nasdaq Global Market under the symbol “CNST.”

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In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of the common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering, and purchasing shares of common stock on the open market to cover positions created by short sales. Short sales may be “covered” shorts, which are short positions in an amount not greater than the underwriters’ option to purchase additional shares referred to above, or may be “naked” shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their option to purchase additional shares, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the option to purchase additional shares. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase common stock in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock, and, as a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the Nasdaq Global Market, in the over-the-counter market or otherwise.

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representatives of the underwriters. In determining the initial public offering price, we and the representatives of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representatives;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly traded common stock of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market will develop for our common shares, or that the shares will trade in the public market at or above the initial public offering price.
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, financial 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 affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the underwriters and their respective affiliates, officers, directors and employees may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

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 the company's securities and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in the company's securities.

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Selling Restrictions

Notice to prospective investors in the European Economic Area

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each, a “Relevant Member State”) an offer to the public of any shares of our common stock may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares of our common stock may be made at any time under the following exemptions under the Prospectus Directive:

(a) to any legal entity that is a qualified investor as defined in the Prospectus Directive;
(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or
(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purpose of the above provisions, the expression “an offer to the public” in relation to any shares of our common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares of our common stock to be offered so as to
enable an investor to decide to purchase the shares of our common stock, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including by Directive 2010/73/EU, and includes any relevant implementing measure in the Relevant Member State.

Notice to prospective investors in the United Kingdom

This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or the Order, or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling with Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Notice to prospective investors in Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to prospective investors in Hong Kong

The shares may not be offered or sold by means of any document other than (i) in circumstances that do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances that do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), 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 laws of Hong Kong) other than with respect to shares that are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.
Notice to prospective investors in Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan, or the Financial Instruments and Exchange Law, and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term, as used in this prospectus means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to prospective investors in 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 under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person, or any person pursuant to Section 275(1A), 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.

Where the shares are subscribed or purchased under Section 275 by a relevant person that is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Notice to prospective investors in Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company or the shares has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (“FINMA”), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (“CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

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Notice to prospective investors in the United Arab Emirates

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority, or DFSA. This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for this prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus, you should consult an authorized financial advisor.
Legal matters
The validity of the shares of common stock offered hereby is being passed upon for us by Wilmer Cutler Pickering Hale and Dorr LLP, Boston, Massachusetts. Davis Polk & Wardwell LLP, New York, New York is acting as counsel for the underwriters in connection with this offering.

Experts
The financial statements of Constellation Pharmaceuticals, Inc. at December 31, 2016 and 2017, and for each of the two years in the period ended December 31, 2017, appearing in this Prospectus and Registration Statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

Where you can find more information
We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock we are offering to sell. This prospectus, which constitutes part of the registration statement, does not include all of the information contained in the registration statement and the exhibits, schedules and amendments to the registration statement. For further information with respect to us and our common stock, we refer you to the registration statement and to the exhibits and schedules to the registration statement. Statements contained in this prospectus about the contents of any contract, agreement or other document are not necessarily complete, and, in each instance, we refer you to the copy of the contract, agreement or other document filed as an exhibit to the registration statement. Each of these statements is qualified in all respects by this reference to such contract, agreement or document.

You may read and copy the registration statement of which this prospectus is a part at the SEC's public reference room, which is located at 100 F Street, N.E., Room 1580, Washington, DC 20549. You can request copies of the registration statement by writing to the SEC and paying a fee for the copying cost. Please call the SEC at 1-800-SEC-0330 for more information about the operation of the SEC's public reference room. In addition, the SEC maintains an Internet website, which is located at http://www.sec.gov, that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. You may access the registration statement of which this prospectus is a part at the SEC's Internet website. Upon completion of this offering, we will be subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended, and we will file reports, proxy statements and other information with the SEC. We plan to fulfill our obligations with respect to such requirements by filing periodic reports and other information with the SEC. We intend to furnish our stockholders with annual reports containing financial statements certified by an independent registered public accounting firm. Our website address is www.constellationpharma.com. The information contained on, or that can be accessed through, our website is not a part of this prospectus. We have included our website address in this prospectus solely as an inactive textual reference.

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Report of independent registered public accounting firm

To the Shareholders and the Board of Directors of Constellation Pharmaceuticals, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Constellation Pharmaceuticals, Inc. (the Company) as of December 31, 2017 and 2016, the related statements of operations and comprehensive loss, convertible preferred stock and stockholders’ deficit, and cash flows for each of the two years ended December 31, 2017, 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, 2017 and 2016, and the results of its operations and its cash flows for each of the two years ended December 31, 2017 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 2008.
Boston, MA
April 27, 2018
## Constellation Pharmaceuticals, Inc.
### Balance sheets

(In thousands, except share and per share amounts)

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2016</th>
<th>March 31, 2017</th>
<th>Pro forma March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$36,920</td>
<td>$16,404</td>
<td>$71,502</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>515</td>
<td>1,318</td>
<td>1,889</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>37,435</td>
<td>17,722</td>
<td>73,391</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>1,027</td>
<td>1,121</td>
<td>1,017</td>
</tr>
<tr>
<td>Deferred offering costs</td>
<td>—</td>
<td>—</td>
<td>406</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>242</td>
<td>242</td>
<td>242</td>
</tr>
<tr>
<td>Other assets</td>
<td>—</td>
<td>18</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$38,704</td>
<td>$19,103</td>
<td>$75,056</td>
</tr>
</tbody>
</table>

| **Liabilities, Convertible Preferred Stock and Stockholders' Equity (Deficit)** |                  |               |                         |
| Current liabilities:     |                  |               |                         |
| Accounts payable         | $2,746           | $2,799        | $3,472                  |
| Accrued expenses and other current liabilities | 2,758          | 4,229         | 4,204                   |
| Current portion of long-term debt, net of discount | 6,546            | 4,103         | 2,373                   |
| **Total current liabilities** | 12,050        | 11,131        | 10,049                  |
| Long-term debt, net of current portion and discount | 4,096            | —             | —                       |
| Preferred stock tranche liability | 4,443         | —             | —                       |
| Preferred stock warrant liability | 226            | 254           | 189                     |
| Deferred rent, net of current portion | 223             | 317           | 276                     |
| Other long-term liabilities | 340            | 6             | 3                       |
| **Total liabilities**    | 21,378           | 11,708        | 10,517                  |

| Commitments and contingencies (Note 13) |                  |               |                         |
| Convertible preferred stock (Series A, B, D, E, E-1 and F), $0.001 par value; 119,391,806 shares authorized at December 31, 2016 and 2017, and 219,242,177 shares authorized at March 31, 2018 (unaudited); 105,021,003 and 118,867,177 shares issued and outstanding at December 31, 2016 and 2017, respectively, and 187,367,177 issued and outstanding at March 31, 2018 (unaudited); aggregate liquidation preference of $178,762 and $247,262 at December 31, 2017 and March 31, 2018 (unaudited), respectively; no shares issued or outstanding, pro forma as of March 31, 2018 (unaudited) | 148,997          | 173,228        | 241,596                  |

| Stockholders' equity (deficit): |                  |               |                         |
| Common stock, $0.0001 par value; 155,818,923 and 161,162,923 shares authorized at December 31, 2016 and 2017, respectively, and 290,000,000 shares authorized at March 31, 2018 (unaudited); 13,450,418 and 13,137,293 shares issued at December 31, 2016 and 2017, respectively, and 13,137,293 shares issued at March 31, 2018 (unaudited); 10,401,356 and 10,601,231 shares outstanding at December 31, 2016 and 2017, respectively, and 13,130,731 shares outstanding at March 31, 2018 (unaudited); 207,593,258 shares issued and 207,586,696 shares outstanding, pro forma as of March 31, 2018 (unaudited) | 1 | 1 | 1 | 21 |
| **Additional paid-in capital** | 6,863            | 8,078         | 8,956                   | 250,721 |
| **Accumulated deficit**      | (138,535)        | (173,912)     | (186,014)               | (186,014) |
| **Total stockholders’ equity (deficit)** | (131,671)       | (165,833)     | (177,057)               | 64,728  |
| **Total liabilities, convertible preferred stock and stockholders’ equity (deficit)** | $38,704         | $19,103       | $75,056                 | $75,056 |

*The accompanying notes are an integral part of these financial statements.*
## Constellation Pharmaceuticals, Inc.
### Statements of operations and comprehensive loss

<table>
<thead>
<tr>
<th>(In thousands, except share and per share amounts)</th>
<th>Year ended December 31,</th>
<th>Three months ended March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>Revenue</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and development</td>
<td>27,881</td>
<td>32,617</td>
</tr>
<tr>
<td>General and administrative</td>
<td>5,777</td>
<td>6,471</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>33,658</td>
<td>39,088</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>(33,658)</td>
<td>(39,088)</td>
</tr>
<tr>
<td>Other income (expense):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>53</td>
<td>169</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(1,345)</td>
<td>(901)</td>
</tr>
<tr>
<td>Change in fair value of preferred stock tranche</td>
<td>417</td>
<td>4,443</td>
</tr>
<tr>
<td>liability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total other income (expense), net</td>
<td>(875)</td>
<td>3,711</td>
</tr>
<tr>
<td>Net loss and comprehensive loss</td>
<td>(34,533)</td>
<td>(35,377)</td>
</tr>
<tr>
<td>Cumulative dividends on convertible preferred stock</td>
<td>(14,932)</td>
<td>(18,390)</td>
</tr>
<tr>
<td>Net loss attributable to common stockholders</td>
<td>$ (49,465)</td>
<td>$ (53,767)</td>
</tr>
<tr>
<td>Net loss per share attributable to common stockholders, basic and diluted</td>
<td>$(4.83)</td>
<td>$(5.10)</td>
</tr>
<tr>
<td>Weighted average common shares outstanding, basic and diluted</td>
<td>10,238,178</td>
<td>10,551,548</td>
</tr>
<tr>
<td>Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)</td>
<td>$(0.31)</td>
<td>$ —</td>
</tr>
<tr>
<td>Pro forma weighted average common shares outstanding, basic and diluted (unaudited)</td>
<td>128,692,960</td>
<td>143,517,515</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.

F-4
## Constellation Pharmaceuticals, Inc.
### Statements of convertible preferred stock and stockholders’ deficit

<table>
<thead>
<tr>
<th></th>
<th>Convertible preferred stock (Series A, B, D, E, E-1, and F)</th>
<th>Common stock</th>
<th>Additional paid-in capital</th>
<th>Accumulated deficit</th>
<th>Total stockholders’ deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Shares</td>
<td>Amount</td>
<td>Shares</td>
<td>Amount</td>
<td></td>
</tr>
<tr>
<td><strong>Balances at December 31, 2015</strong></td>
<td>91,127,424</td>
<td>$129,558</td>
<td>9,973,224</td>
<td>$1</td>
<td>5,932</td>
</tr>
<tr>
<td>Issuance of Series E-1 convertible preferred stock, net of preferred stock tranche liability of $4,860 and issuance costs of $86</td>
<td>13,884,691</td>
<td>19,353</td>
<td>—</td>
<td>—</td>
<td>848</td>
</tr>
<tr>
<td>Exercise of Series A preferred stock warrant</td>
<td>8,888</td>
<td>86</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Vesting of restricted common stock awards</td>
<td>—</td>
<td>—</td>
<td>103,125</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Vesting of common stock issued upon early exercise of unvested options</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>23</td>
</tr>
<tr>
<td>Stock option exercises</td>
<td>—</td>
<td>—</td>
<td>279,139</td>
<td>—</td>
<td>60</td>
</tr>
<tr>
<td>Net loss</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(34,533)</td>
</tr>
<tr>
<td><strong>Balances at December 31, 2016</strong></td>
<td>105,021,003</td>
<td>148,997</td>
<td>10,401,356</td>
<td>1</td>
<td>6,863</td>
</tr>
<tr>
<td>Issuance of Series E-1 convertible preferred stock</td>
<td>13,846,174</td>
<td>24,231</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Vesting of common stock issued upon early exercise of unvested options</td>
<td>—</td>
<td>—</td>
<td>18,000</td>
<td>—</td>
<td>9</td>
</tr>
<tr>
<td>Stock option exercises</td>
<td>—</td>
<td>—</td>
<td>181,875</td>
<td>55</td>
<td>—</td>
</tr>
<tr>
<td><strong>Balances at December 31, 2017</strong></td>
<td>118,867,177</td>
<td>173,228</td>
<td>10,601,231</td>
<td>1</td>
<td>8,078</td>
</tr>
<tr>
<td>Issuance of Series F convertible preferred stock, net of issuance costs of $132</td>
<td>68,500,000</td>
<td>68,368</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>585</td>
<td>—</td>
</tr>
<tr>
<td>Vesting of common stock issued upon early exercise of unvested options</td>
<td>—</td>
<td>—</td>
<td>4,500</td>
<td>3</td>
<td>—</td>
</tr>
<tr>
<td>Stock option exercises</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Repayment of promissory notes issued upon early exercise of unvested options</td>
<td>—</td>
<td>—</td>
<td>2,525,000</td>
<td>290</td>
<td>—</td>
</tr>
<tr>
<td>Net loss</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(12,102)</td>
</tr>
<tr>
<td><strong>Balances at March 31, 2018 (unaudited)</strong></td>
<td>187,367,177</td>
<td>241,596</td>
<td>13,130,731</td>
<td>1</td>
<td>8,956</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
## Constellation Pharmaceuticals, Inc.
### Statements of cash flows

**(in thousands)**

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31</th>
<th>Three months ended March 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss</td>
<td>$(34,533)</td>
<td>$(35,377)</td>
</tr>
<tr>
<td>Adjustments to reconcile net loss to net cash used in operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization expense</td>
<td>203</td>
<td>474</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>848</td>
<td>1,151</td>
</tr>
<tr>
<td>Non-cash interest expense</td>
<td>631</td>
<td>326</td>
</tr>
<tr>
<td>Change in fair value of preferred stock warrant liability</td>
<td>(94)</td>
<td>28</td>
</tr>
<tr>
<td>Change in fair value of preferred stock tranche liability</td>
<td>(417)</td>
<td>(4,443)</td>
</tr>
<tr>
<td>Gain on disposal of equipment</td>
<td>(4)</td>
<td></td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>(274)</td>
<td>(803)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>423</td>
<td>67</td>
</tr>
<tr>
<td>Accrued expenses and other current liabilities</td>
<td>274</td>
<td>915</td>
</tr>
<tr>
<td>Deferred rent</td>
<td>163</td>
<td>94</td>
</tr>
<tr>
<td>Non-cash interest expense</td>
<td>631</td>
<td>326</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>$(32,775)</td>
<td>$(37,586)</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(948)</td>
<td>(582)</td>
</tr>
<tr>
<td>Proceeds from sale of property and equipment</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(945)</td>
<td>(582)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from modification of long-term debt</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td>Proceeds from issuance of convertible preferred stock, net of issuance costs</td>
<td>24,213</td>
<td>24,213</td>
</tr>
<tr>
<td>Payments on long-term debt</td>
<td>(2,961)</td>
<td>(6,634)</td>
</tr>
<tr>
<td>Tax indemnification payment to stockholders</td>
<td>(582)</td>
<td></td>
</tr>
<tr>
<td>Payments of debt issuance costs</td>
<td>(30)</td>
<td></td>
</tr>
<tr>
<td>Repayments of reimbursed expenses to Genentech</td>
<td>1,243</td>
<td></td>
</tr>
<tr>
<td>Proceeds from repayment of promissory notes issued upon early exercise of stock options</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Payments of initial public offering costs</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Proceeds from issuance of common stock upon stock option exercises</td>
<td>60</td>
<td>55</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) financing activities</strong></td>
<td>19,105</td>
<td>17,652</td>
</tr>
<tr>
<td><strong>Net increase (decrease) in cash, cash equivalents and restricted cash</strong></td>
<td>(14,615)</td>
<td>(20,516)</td>
</tr>
<tr>
<td><strong>Cash, cash equivalents and restricted cash at beginning of period</strong></td>
<td>51,777</td>
<td>37,162</td>
</tr>
<tr>
<td><strong>Cash, cash equivalents and restricted cash at end of period</strong></td>
<td>$37,162</td>
<td>$16,646</td>
</tr>
<tr>
<td><strong>Supplemental disclosure of cash flow information:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest paid</td>
<td>$809</td>
<td>$546</td>
</tr>
<tr>
<td><strong>Supplemental disclosure of noncash investing and financing information:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of property and equipment included in accounts payable</td>
<td>$19</td>
<td>$5</td>
</tr>
<tr>
<td>Cashless exercise of Series A preferred stock warrants</td>
<td>$86</td>
<td></td>
</tr>
<tr>
<td>Vesting of common stock subject to repurchase</td>
<td>$23</td>
<td>$9</td>
</tr>
<tr>
<td>Refinancing of final payment on 2013 Loan Agreement as long-term debt</td>
<td>$884</td>
<td></td>
</tr>
<tr>
<td>Deferred offering costs included in accounts payable and accrued expenses</td>
<td>$—</td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
1. Nature of the business and basis of presentation

Constellation Pharmaceuticals, Inc. (“Constellation” or the “Company”) is a clinical-stage biopharmaceutical company using its expertise in epigenetics to discover and develop novel therapeutics that address serious unmet medical needs in patients with cancers associated with abnormal gene expression or drug resistance. The Company was incorporated in January 2008 as EpiGenetiX, Inc. under the laws of the State of Delaware. On March 31, 2008, the Company changed its name to Constellation Pharmaceuticals, Inc.

The Company is subject to risks and uncertainties common to early-stage companies in the biotechnology industry, including, but not limited to, development by competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, compliance with government regulations and the ability to secure additional capital to fund operations. Product candidates currently under development will require significant additional research and development efforts, including extensive preclinical and clinical testing and regulatory approval prior to commercialization. These efforts require significant amounts of additional capital, adequate personnel and infrastructure and extensive compliance-reporting capabilities. Even if the Company’s drug development efforts are successful, it is uncertain when, if ever, the Company will realize significant revenue from product sales.

The accompanying financial statements have been prepared on the basis of continuity of operations, realization of assets and the satisfaction of liabilities and commitments in the ordinary course of business. Through December 31, 2017 and March 31, 2018 (unaudited), the Company has funded its operations with the sales of convertible preferred stock, payments received in connection with collaboration agreements and borrowings under loan agreements. Since inception, the Company has incurred recurring losses, including net losses of $34.5 million for the year ended December 31, 2016, $35.4 million for the year ended December 31, 2017, and $12.1 million for the three months ended March 31, 2018 (unaudited). As of December 31, 2017 and March 31, 2018 (unaudited), the Company had an accumulated deficit of $173.9 million and $186.0 million, respectively. The Company expects to continue to generate operating losses in the foreseeable future. In March 2018 and April 2018, the Company received gross proceeds of $99.8 million from the issuance and sale of its Series F convertible preferred stock (see Note 17). As of April 27, 2018, the Company expected that its cash and cash equivalents would be sufficient to fund its operating expenses, capital expenditure requirements and debt service payments through at least 12 months from the issuance date of the annual financial statements.

As of June 7, 2018 (unaudited), the issuance date of the interim financial statements for the three months ended March 31, 2018, the Company expects that its cash and cash equivalents will be sufficient to fund its operating expenses, capital expenditure requirements and debt service payments through at least 12 months from the issuance date of the interim financial statements.

The Company is seeking to complete an initial public offering of its common stock. Upon the completion of a qualified public offering on specified terms, the Company’s outstanding convertible preferred stock will automatically convert into shares of common stock (see Note 8).

The Company’s financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

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2. Summary of significant accounting policies

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 contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant estimates and assumptions reflected in these financial statements include, but are not limited to, revenue recognition, the accrual of research and development expenses, the valuation of common stock, preferred stock warrants, preferred stock tranche liability and stock-based awards. The Company bases its estimates on historical experience, known trends and other market-specific or other relevant factors that it believes to be reasonable under the circumstances. On an ongoing basis, management evaluates its estimates, as there are changes in circumstances, facts and experience. Actual results may differ from those estimates or assumptions.

Unaudited interim financial information

The accompanying balance sheet as of March 31, 2018, the statements of operations and comprehensive loss and of cash flows for the three months ended March 31, 2017 and 2018, and the statements of convertible preferred stock and stockholders’ deficit for the three months ended March 31, 2018 are unaudited. The unaudited interim financial statements have been prepared on the same basis as the audited annual financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for the fair statement of the Company's financial position as of March 31, 2018 and the results of its operations and its cash flows for the three months ended March 31, 2017 and 2018. The financial data and other information disclosed in these notes related to the three months ended March 31, 2017 and 2018 are also unaudited. The results for the three months ended March 31, 2018 are not necessarily indicative of results to be expected for the year ending December 31, 2018, any other interim periods, or any future year or period.

Unaudited pro forma information

The accompanying unaudited pro forma balance sheet as of March 31, 2018 has been prepared to give effect to the automatic conversion of all shares of convertible preferred stock then outstanding into 194,455,965 shares of common stock and all warrants to purchase convertible preferred stock then outstanding becoming warrants to purchase common stock as if the proposed initial public offering had occurred on March 31, 2018.

In the accompanying statements of operations and comprehensive loss, the unaudited pro forma basic and diluted net loss per share attributable to common stockholders for the year ended December 31, 2017 and the three months ended March 31, 2018 have been prepared to give effect to the automatic conversion of all shares of convertible preferred stock outstanding into shares of common stock and all warrants to purchase convertible preferred stock becoming warrants to purchase common stock as if the proposed initial public offering had occurred on the later of January 1, 2017 or the issuance date of the convertible preferred stock or preferred stock warrant.
Concentrations of credit risk and of significant suppliers

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company maintains most of its cash and cash equivalents at two accredited financial institutions in amounts that could exceed federally insured limits. Cash equivalents are invested in an institutional money market fund. The Company does not believe that it is subject to unusual credit risk beyond the normal credit risk associated with commercial banking relationships.

The Company is dependent on third-party manufacturers to supply products for research and development activities in its programs. In particular, the Company relies and expects to continue to rely on a small number of manufacturers to supply it with its requirements for the active pharmaceutical ingredients and formulated drugs related to these programs. These programs could be adversely affected by a significant interruption in the supply of active pharmaceutical ingredients and formulated drugs.

Deferred offering costs

The Company capitalizes certain legal, accounting and other third-party fees that are directly associated with in-process equity financings as deferred offering costs until such financings are consummated. After consummation of such equity financing, these costs are recorded in stockholders’ equity (deficit) as a reduction of additional paid-in capital generated as a result of the offering. Should the in-process equity financing be abandoned, the deferred offering costs will be expensed immediately as a charge to operating expenses in the statements of operations and comprehensive loss.

Deferred financing costs

The Company capitalizes lender, legal and other third-party fees that are directly associated with obtaining access to capital under credit facilities. Debt issuance costs incurred in connection with obtaining access to capital are recorded in prepaid expenses and other current assets and are amortized over the availability period or term of the credit facility. Debt issuance costs related to a recognized debt liability are recorded as a direct reduction of the carrying amount of the debt liability.

Cash equivalents

The Company considers all highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization expense is recognized using the straight-line method over the estimated useful life of each asset as follows:

<table>
<thead>
<tr>
<th>Asset</th>
<th>Estimated useful life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laboratory equipment</td>
<td>3 years</td>
</tr>
<tr>
<td>Computer equipment and software</td>
<td>3 years</td>
</tr>
</tbody>
</table>

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Estimated useful life

<table>
<thead>
<tr>
<th>Furniture and fixtures</th>
<th>3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>Shorter of useful life or remaining lease term</td>
</tr>
</tbody>
</table>

Upon retirement or sale, the cost of assets disposed of and the related accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is included in loss from operations. Expenditures for repairs and maintenance that do not improve or extend the lives of the respective assets are charged to expense as incurred, while costs of major additions and betterments are capitalized.

**Impairment of long-lived assets**

Long-lived assets consist of property and equipment. Long-lived assets to be held and used are tested for recoverability whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Factors that the Company considers in deciding when to perform an impairment review include significant underperformance of the business in relation to expectations, significant negative industry or economic trends and significant changes or planned changes in the use of the assets. An impairment loss would be recognized in loss from operations when estimated undiscounted future cash flows expected to result from the use of an asset group are less than its carrying amount. The impairment loss would be based on the excess of the carrying value of the impaired asset group over its fair value, determined based on discounted cash flows. The Company did not record any impairment losses on long-lived assets during the years ended December 31, 2016 or 2017 or during the three months ended March 31, 2017 or 2018 (unaudited).

**Fair value measurements**

Certain assets and liabilities are carried at fair value under GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) 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. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- **Level 1**—Quoted prices in active markets for identical assets or liabilities.
- **Level 2**—Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.
- **Level 3**—Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

The Company’s cash equivalents, preferred stock tranche liability, and preferred stock warrant liability are carried at fair value, determined according to the fair value hierarchy described above (see Note 3). The carrying values of the Company’s, accounts payable and accrued expenses approximate their fair values due to the short-term nature of these liabilities. The carrying value of the Company’s outstanding debt as of
Constellation Pharmaceuticals, Inc.
Notes to financial statements

December 31, 2017 and March 31, 2018 (unaudited) (see Note 7) approximated fair value (a Level 3 measurement) based on interest rates currently available to the Company.

Preferred stock tranche right
The Series E-1 preferred stock purchase agreement provided the investors with the right to participate in a subsequent closing of Series E-1 preferred stock upon the earlier of one year from the issuance date or the achievement of a strategic event as determined by the Company's board of directors (the “Series E-1 Tranche Right”) (see Note 8). The Series E-1 Tranche Right met the definition of a freestanding financial instrument as the Series E-1 Tranche Right was legally detachable and separately exercisable from the Series E-1 preferred stock. The Series E-1 Tranche Right was classified as a liability and initially recorded at fair value. The preferred stock tranche liability was subject to revaluation at each balance sheet date until its exercise. Changes in fair value are included as a line item within other income (expense) in the accompanying statements of operations and comprehensive loss.

Preferred stock warrant liability
The Company accounts for warrant instruments that either conditionally or unconditionally obligate the issuer to transfer assets as liabilities regardless of the timing of the redemption feature or price, even though the underlying shares may be classified as permanent or temporary equity. These warrants are subject to revaluation at each balance sheet date until the earlier of their exercise or expiration or the completion of a liquidation event. Changes in fair value of warrants for convertible preferred stock are recorded as interest expense in the accompanying statements of operations and comprehensive loss.

Segment information
The Company manages its operations as a single segment for the purposes of assessing performance and making operating decisions. The Company's singular focus is the development of novel therapeutics in the field of epigenetics. All of the Company’s tangible assets are held in the United States.

Revenue recognition
On January 1, 2018, the Company adopted the new revenue standard, discussed below under the heading “Recently Adopted Accounting Pronouncements”, which amended revenue recognition principles and provides a single, comprehensive set of criteria for revenue recognition within and across all industries (“ASC 606”). Under ASC 606, an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. To determine the appropriate amount of revenue to be recognized for arrangements determined to be within the scope of ASC 606, the Company performs the following five steps: (i) identification of the contract(s) with the customer, (ii) identification of the promised goods or services in the contract and determination of whether the promised goods or services are performance obligations, (iii) measurement of the transaction price, (iv) allocation of the transaction price to the performance obligations, and (v) recognition of revenue when (or as) the Company satisfies each performance obligation. The Company only applies the five-step model to contracts when it is probable that the entity will collect consideration it is entitled to in exchange for the goods or services it transfers to the customer.
Constellation Pharmaceuticals, Inc.
Notes to financial statements

The Company accounts for a contract with a customer that is within the scope of ASC 606 when all of the following criteria are met: (i) the arrangement has been approved by the parties and the parties are committed to perform their respective obligations, (ii) each party's rights regarding the goods or services to be transferred can be identified, (iii) the payment terms for the goods or services to be transferred can be identified, (iv) the arrangement has commercial substance and (v) collection of substantially all of the consideration to which the Company will be entitled in exchange for the goods or services that will be transferred to the customer is probable.

The Company estimates the transaction price based on the amount of consideration the Company expects to be received for transferring the promised goods or services in the contract. The consideration may include both fixed consideration and variable consideration. At the inception of each arrangement that includes variable consideration, the Company evaluates the amount of the potential payments and the likelihood that the payments will be received. The Company utilizes either the most likely amount method or expected value method to estimate the transaction price based on which method better predicts the amount of consideration expected to be received. If it is probable that a significant revenue reversal would not occur, the variable consideration is included in the transaction price.

For arrangements that include development and regulatory milestone payments, the Company evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestone payments that are not within the Company's control or the licensee's control, such as regulatory approvals, are not considered probable of being achieved until those approvals are received. At the end of each reporting period, the Company re-evaluates the probability of achievement of such milestones and any related constraint, and if necessary, adjusts the estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect collaboration revenue and net income (loss) in the period of adjustment.

For sales-based royalties, including milestone payments based on the level of sales, the Company determines whether the sole or predominant item to which the royalties relate is a license. When the license is the sole or predominant item to which the sales-based royalty relates, the Company recognizes revenue at the later of: (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

The Company allocates the transaction price based on the estimated standalone selling price. The Company must develop assumptions that require judgment to determine the standalone selling price for each performance obligation identified in the contract. The Company utilizes key assumptions to determine the standalone selling price, which may include other comparable transactions, pricing considered in negotiating the transaction and the estimated costs. Certain variable consideration is allocated specifically to one or more performance obligations in a contract when the terms of the variable consideration relate to the satisfaction of the performance obligation and the resulting amounts allocated to each performance obligation are consistent with the amounts the Company would expect to receive for each performance obligation.

For performance obligations which consist of licenses and other promises, the Company utilizes judgment to assess the nature of the combined performance obligation in order to determine whether the combined performance obligation is satisfied over time or at a point in time. The Company determines the appropriate
Constellation Pharmaceuticals, Inc.
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The company evaluates the measure of progress each reporting period and, if necessary, adjusts the measure of performance and related revenue recognition. If the license to the Company's intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, the Company will recognize revenue from non-refundable, up-front fees allocated to the license when the license is transferred to the customer and the customer is able to use and benefit from the license.

The company receives payments from customers based on billing schedules established in each contract. Up-front payments and fees are recorded as deferred revenue upon receipt or when due until the Company performs its obligations under these arrangements. Amounts are recorded as accounts receivable when the Company's right to consideration is unconditional.

Collaboration agreements

For collaboration agreements with a third party, to determine the appropriate statement of operations classification of the recognized funding, the Company first assesses whether the collaboration arrangement is within the scope of the accounting guidance for collaboration arrangements. If it is, the Company evaluates the collaborative arrangement for proper classification in the statement of operations based on the nature of the underlying activity and the Company assesses the payments to and from the collaborative partner. If the payments to and from the collaborative partner are not within the scope of other authoritative accounting guidance, the Company bases the statement of operations classification for the payments received on a reasonable, rational analogy to authoritative accounting guidance, applied in a consistent manner. Conversely, if the collaboration arrangement is not within the scope of accounting guidance for collaboration arrangements, the Company assesses whether the collaboration arrangement represents a vendor/customer relationship. If the collaborative arrangement does not represent a vendor/customer relationship, the Company then classifies the funding payments received in the statement of operations and comprehensive loss as a reduction of the related expense that is incurred.

In July 2012, the Company entered into a Research, Development and Commercialization Agreement (the “LLS Agreement”) with the Leukemia & Lymphoma Society (“LLS”) pursuant to which LLS committed to provide financial support (the “Funding”) to the Company for research and development services, conditional on (i) the achievement of milestones in accordance with the LLS Agreement and (ii) equal funding being provided by the Company. The Company concluded that the LLS Agreement was not within the scope of the accounting guidance for collaboration arrangements (see Note 13). Due to the co-funded nature of the payments and the Company's assessment that it did not have a vendor/customer relationship with LLS, the Company recognized the nonrefundable payments received under the agreement as a reduction to the research and development expenses incurred, based on a proportional methodology comparing the total expenses incurred in the period under the project to the total expenses expected to be incurred under the project.

Research and development costs

Research and development costs are expensed as incurred. Research and development expenses are comprised of costs incurred in performing research and development activities, including salaries, stock-based compensation and benefits, facilities costs and laboratory supplies, depreciation, manufacturing expenses and external costs of outside vendors engaged to conduct preclinical development activities and clinical trials as well as the cost of licensing technology.
Constellation Pharmaceuticals, Inc.
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Upfront payments and milestone payments made for the licensing of technology are expensed as research and development in the period in which they are incurred. Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are recorded as prepaid expenses. The prepaid amounts are expensed as the related goods are delivered or the services are performed.

Research contract costs and accruals

The Company has entered into various research and development contracts with companies both inside and outside of the United States. These agreements are generally cancelable, and related payments are recorded as research and development expenses as incurred. The Company records accruals for estimated ongoing research costs. When evaluating the adequacy of the accrued liabilities, the Company analyzes progress of the studies or trials, including the phase or completion of events, invoices received and contracted costs. Significant judgments and estimates are made in determining the accrued balances at the end of any reporting period. Actual results could differ from the Company's estimates. The Company's historical accrual estimates have not been materially different from the actual costs.

Patent costs

All patent-related costs incurred in connection with filing and prosecuting patent applications are expensed as incurred due to the uncertainty about the recovery of the expenditure. Amounts incurred are classified as general and administrative expenses.

Stock-based compensation

The Company measures stock-based awards granted to employees and directors based on the fair value on the date of grant using the Black-Scholes option-pricing model. Compensation expense for those awards is recognized over the requisite service period, which is generally the vesting period of the respective award. The straight-line method of expense recognition is applied to all awards with service-only conditions, while the graded vesting method is applied to all grants with both service and performance conditions. The Company records the expense for stock-based compensation awards subject to performance-based milestone vesting when management determines that achievement of the milestone is probable. Management evaluates when the achievement of a performance-based milestone is probable based on the expected satisfaction of the performance conditions as of the reporting date.

For stock-based awards granted to nonemployees, compensation expense is recognized over the period during which services are rendered by such nonemployees until completed. At the end of each financial reporting period prior to completion of the services, the fair value of these awards is remeasured using the then-current fair value of the Company’s common stock and updated assumption inputs in the Black-Scholes option-pricing model. The Company classifies stock-based compensation expense in its statements of operations and comprehensive loss in the same manner in which the award recipient's payroll costs are classified or in which the award recipient's service payments are classified.

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. There was no difference between net loss and comprehensive loss for each of the periods presented in the accompanying financial statements.
Net income (loss) per share

The Company follows the two-class method when computing net income (loss) per share, as the Company has issued shares that meet the definition of participating securities. The two-class method determines net income (loss) per share for each class of common and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires income available to common stockholders for the period to be allocated between common and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed.

Basic net income (loss) per share attributable to common stockholders is computed by dividing the net income (loss) attributable to common stockholders by the weighted average number of common shares outstanding for the period. Diluted net income (loss) attributable to common stockholders is computed by adjusting net income (loss) attributable to common stockholders to reallocate undistributed earnings based on the potential impact of dilutive securities. Diluted net income (loss) per share attributable to common stockholders is computed by dividing the diluted net income (loss) attributable to common stockholders by the weighted average number of common shares outstanding for the period, including potential dilutive common shares assuming the dilutive effect of common stock equivalents.

The Company's convertible preferred stock contractually entitles the holders of such shares to participate in dividends but does not contractually require the holders of such shares to participate in losses of the Company. Accordingly, in periods in which the Company reports a net loss, such losses are not allocated to such participating securities. In periods in which the Company reports a net loss attributable to common stockholders, diluted net loss per share attributable to common stockholders is the same as basic net loss per share attributable to common stockholders, since dilutive common shares are not assumed to have been issued if their effect is antidilutive. The Company reported a net loss attributable to common stockholders for the years ended December 31, 2016 and 2017 and the three months ended March 31, 2017 and 2018 (unaudited).

The Company's net loss attributable to common stockholders and net loss per share attributable to common stockholders, basic and diluted, for the years ended December 31, 2016 and 2017 have been revised to include the undeclared cumulative preferred dividends. The Company has determined that these changes are immaterial errors to the financial statements and has corrected them in its statements of operations and comprehensive loss. These changes resulted in an increased net loss attributable to common stockholders of $14.9 million and $18.4 million for the years ended December 31, 2016 and 2017, respectively, and an increase in net loss per share attributable to common stockholders, basic and diluted, from $3.37 to $4.83 and from $3.35 to $5.10 for the years ended December 31, 2016 and 2017, respectively. These changes have no impact on the Company's net loss, financial position or cash flows for the periods presented, or on the unaudited pro forma net loss per share attributable to common stockholders, basic and diluted. In March 2018, the Company's preferred stock agreements were modified, with the holders of the previously issued Preferred Stock agreeing to the removal of their cumulative dividend rights.

Income taxes

The Company accounts for income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the financial statements or in the Company's tax returns. Deferred tax assets and liabilities are determined on the basis of the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Changes in deferred tax assets and liabilities are recorded in the provision for income taxes. The Company assesses the likelihood that its deferred tax assets will be recovered from future taxable income and, to the extent it believes, based upon
Constellation Pharmaceuticals, Inc.
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the weight of available evidence, that it is more likely than not that all or a portion of the deferred tax assets will not be realized, a valuation allowance is established through a charge to income tax expense. Potential for recovery of deferred tax assets is evaluated by estimating the future taxable profits expected and considering prudent and feasible tax planning strategies.

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.

Recently adopted accounting pronouncements

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers ("ASU 2014-09"), which supersedes the revenue recognition requirements in ASC 605-25, Multiple-Element Arrangements and most industry-specific guidance. The new standard requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The update also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. Companies have the option of applying this new guidance retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this update recognized at the date of initial application. For public entities, the guidance is effective for annual reporting periods beginning after December 15, 2017 and for interim periods within that reporting period. For nonpublic entities, the guidance is effective for annual reporting periods beginning after December 15, 2018. The Company early-adopted ASU 2014-09 on January 1, 2018 using the modified retrospective transition method. The adoption did not have an impact on its financial statements as the Company had met its performance obligations under its one revenue contract prior to the adoption of ASU 2014-09. The adoption of ASU 2014-09 did not have an impact on the Company’s accounting for contingent milestone or royalty payments.

In May 2017, the FASB issued ASU No. 2017-09, Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting ("ASU 2017-09"), which clarifies when to account for a change to the terms or conditions of a share-based payment award as a modification. Under the new guidance, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions. For both public and nonpublic entities, the standard is effective for annual periods beginning after December 15, 2017, including interim periods within those fiscal years. The adoption of ASU 2017-09 did not have a material impact on the Company’s financial position, results of operations or cash flows.

In August 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-15, Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern ("ASU 2014-15"). The amendments in this update explicitly require a company’s management to assess an entity’s ability to continue as a going concern and to provide related footnote disclosures in certain circumstances. For both public and nonpublic entities, the
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**Constellation Pharmaceuticals, Inc.**

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new standard is effective for annual periods ending after December 15, 2016 and for interim periods thereafter. The Company adopted ASU 2014-15 as of the required effective date of December 31, 2016. This guidance relates to footnote disclosure only, and its adoption had no impact on the Company's financial position, results of operations or cash flows.

In November 2014, the FASB issued ASU No. 2014-16, Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to Equity (“ASU 2014-16”). The guidance requires an entity to determine the nature of the host contract by considering all stated and implied substantive terms and features of the hybrid financial instrument, weighing each term and feature on the basis of the relevant facts and circumstances (commonly referred to as the whole-instrument approach). The Company adopted ASU 2014-16 retrospectively to all periods presented on the required effective date of January 1, 2016, and its adoption had no impact on the Company's financial position, results of operations or cash flows.

In November 2015, the FASB issued ASU No. 2015-17, Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes (“ASU 2015-17”), which requires deferred tax liabilities and assets to be classified as non-current in the balance sheet. As early adoption was permitted, the Company adopted the standard on January 1, 2016 and has reflected the adoption retrospectively to all periods presented. The adoption of ASU 2015-17 had no impact on the Company's financial position, results of operations or cash flows.

In March 2016, the FASB issued ASU No. 2016-09, Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting (“ASU 2016-09”). ASU 2016-09 involves several aspects of the accounting for share-based transactions, including the income tax consequences, classification of awards as either equity or liabilities, an option to recognize gross share compensation expense with actual forfeitures recognized as they occur and certain classifications on the statement of cash flows. Certain of these changes are required to be applied retrospectively, while other changes are required to be applied prospectively. As early adoption was permitted, the Company adopted ASU 2016-09 as of January 1, 2017 and has elected to account for forfeitures as they occur rather than apply an estimated forfeiture rate to share-based compensation expense. The adoption of ASU 2016-09 had no impact on the Company's financial position, results of operations or cash flows.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash (“ASU 2016-18”). ASU 2016-18 requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Entities will also be required to reconcile such total to amounts on the balance sheet and disclose the nature of the restrictions. As early adoption was permitted, the Company adopted this standard on January 1, 2017. Restricted cash is now included as a component of cash, cash equivalents, and restricted cash on the Company's statements of cash flows. Upon the adoption of ASU 2016-18, the amount of cash, cash equivalents and restricted cash previously presented on the statements of cash flows for the year ended December 31, 2016 increased by $0.2 million as of the beginning of the year and the end of the year to reflect the inclusion of restricted cash in the amount reported for changes in cash, cash equivalents and restricted cash.

**Recently issued accounting pronouncements**

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) (“ASU 2016-02”), which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract
Notes to financial statements

(i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. For public entities, the guidance is effective for annual reporting periods beginning after December 15, 2018 and for interim periods within those fiscal years. For nonpublic entities, the guidance is effective for annual reporting periods beginning after December 15, 2019. Early adoption is permitted for all entities. The Company is currently evaluating the impact that the adoption of ASU 2016-02 will have on its financial statements.

In July 2017, the FASB issued ASU No. 2017-11, Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480), Derivatives and Hedging (Topic 815) I. Accounting for Certain Financial Instruments with Down Round Features II. Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception (“ASU 2017-11”). Part I applies to entities that issue financial instruments such as warrants, convertible debt or convertible preferred stock that contain down-round features. Part II replaces the indefinite deferral for certain mandatorily redeemable noncontrolling interests and mandatorily redeemable financial instruments of nonpublic entities contained within ASC Topic 480 with a scope exception and does not impact the accounting for these mandatorily redeemable instruments. For public entities, this guidance is required to be adopted for annual periods beginning after December 15, 2018, including interim periods within those fiscal years. For nonpublic entities, this guidance is effective for annual periods beginning after December 15, 2019. Early adoption is permitted for all entities, including adoption in an interim period. The Company is currently evaluating the impact that the adoption of ASU 2017-11 will have on its financial statements.

3. Fair value measurements

The following tables present information about the Company's financial assets and liabilities measured at fair value on a recurring basis and indicate the level of the fair value hierarchy utilized to determine such fair values (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
</tr>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
</tr>
<tr>
<td>Money market funds included in cash and cash equivalents</td>
<td>$36,920</td>
</tr>
<tr>
<td></td>
<td>$36,920</td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
</tr>
<tr>
<td>Preferred stock warrant liability</td>
<td>$ —</td>
</tr>
<tr>
<td>Preferred stock tranche liability</td>
<td>$ —</td>
</tr>
<tr>
<td></td>
<td>$ —</td>
</tr>
</tbody>
</table>

F-18
Money market funds were valued by the Company using quoted prices in active markets for similar securities, which represent a Level 1 measurement within the fair value hierarchy.

During the years ended December 31, 2016 and 2017 and the three months ended March 31, 2017 and 2018 (unaudited), there were no transfers between Level 1, Level 2 and Level 3.

The preferred stock warrant liability represents the fair values of warrants to purchase Series B convertible preferred stock. The preferred stock tranche liability represents the fair value of the Series E-1 Tranche Right. The fair values of the warrants and Series E-1 Tranche Right are based on significant inputs not observable in the market, which represent a Level 3 measurement within the fair value hierarchy. The Company's valuation of the preferred stock warrants and Series E-1 Tranche Right utilized the Black-Scholes option-pricing model, which incorporates assumptions and estimates to value the preferred stock warrants and Series E-1 Tranche Right. The Company assessed these assumptions and estimates on a quarterly basis as additional information impacting the assumptions was obtained.

The quantitative elements associated with the Company's Level 3 inputs impacting the fair value measurement of the preferred stock warrant liability and Series E-1 Tranche Right include the fair value per share of the underlying convertible preferred stock, the remaining contractual term of the warrants and expected term of the Series E-1 Tranche Right, risk-free interest rate, expected dividend yield and expected volatility of the price of the underlying convertible preferred stock. The Company determines the fair value per share of the underlying preferred stock by taking into consideration its most recent sales of its convertible preferred stock as well as additional factors that the Company deems relevant. The Company historically has been a private company and lacks company-specific historical and implied volatility information of its stock. Therefore, it estimates its expected stock volatility based on the historical volatility of a representative group of public
companies in the biotechnology industry for the expected terms. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve for time periods approximately equal to the expected terms. The Company has estimated a 0% dividend yield based on the expected dividend yield and the fact that the Company has never paid or declared dividends.

The following table provides a roll forward of the aggregate fair values of the Company’s warrants to purchase convertible preferred stock and preferred stock tranche liability for which fair value is determined by Level 3 inputs (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Preferred stock warrant liability</th>
<th>Preferred stock tranche liability</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances at December 31, 2015</td>
<td>$ 406</td>
<td>$ —</td>
<td>$ 406</td>
</tr>
<tr>
<td>Issuance of preferred stock tranche liability</td>
<td>—</td>
<td>4,860</td>
<td>4,860</td>
</tr>
<tr>
<td>Exercise of warrant to purchase Series A preferred stock</td>
<td>(86)</td>
<td>—</td>
<td>(86)</td>
</tr>
<tr>
<td>Change in fair value of warrants recorded in interest expense and change in fair value of preferred stock tranche liability</td>
<td>(94)</td>
<td>(417)</td>
<td>(511)</td>
</tr>
<tr>
<td>Balances at December 31, 2016</td>
<td>226</td>
<td>4,443</td>
<td>4,669</td>
</tr>
<tr>
<td>Change in fair value of warrants recorded in interest expense and change in fair value of preferred stock tranche liability</td>
<td>28</td>
<td>(4,443)</td>
<td>(4,415)</td>
</tr>
<tr>
<td>Balances at December 31, 2017</td>
<td>$ 254</td>
<td>$ —</td>
<td>$ 254</td>
</tr>
<tr>
<td>Change in fair value of warrants recorded in interest expense</td>
<td>(65)</td>
<td>—</td>
<td>(65)</td>
</tr>
<tr>
<td>Balances at March 31, 2018 (unaudited)</td>
<td>$ 189</td>
<td>$ —</td>
<td>$ 189</td>
</tr>
</tbody>
</table>

4. Property and equipment, net

Property and equipment, net consisted of the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31</th>
<th>March 31, 2018 (unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>Laboratory equipment</td>
<td>$ 5,140</td>
<td>$ 5,468</td>
</tr>
<tr>
<td>Computer equipment and internal-use software</td>
<td>1,735</td>
<td>1,874</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>289</td>
<td>289</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>217</td>
<td>217</td>
</tr>
<tr>
<td></td>
<td>7,381</td>
<td>7,848</td>
</tr>
<tr>
<td>Less: Accumulated depreciation and amortization</td>
<td>(6,354)</td>
<td>(6,727)</td>
</tr>
<tr>
<td></td>
<td>$ 1,027</td>
<td>$ 1,121</td>
</tr>
</tbody>
</table>

Depreciation and amortization expense was $0.2 million and $0.5 million for the years ended December 31, 2016 and 2017, respectively, and $0.1 million for each of the three months ended March 31, 2017 and 2018 (unaudited). During the year ended December 31, 2016, the Company disposed of property and equipment with a gross book value and accumulated depreciation of $0.1 million and recorded an insignificant gain on disposal.
Notes to financial statements

During the year ended December 31, 2017, the Company disposed of property and equipment with a gross book value and accumulated depreciation of $0.1 million. There was no gain or loss resulting from the disposal. During the three months ended March 31, 2017 (unaudited), the Company disposed of property and equipment with a gross book value and accumulated depreciation of $0.1 million. There was no gain or loss resulting from the disposal. There were no disposals of property and equipment during the three months ended March 31, 2018 (unaudited).

5. Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2016</th>
<th>December 31, 2017</th>
<th>March 31, 2018 (unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued employee compensation and benefits</td>
<td>$979</td>
<td>$1,867</td>
<td>$739</td>
</tr>
<tr>
<td>Accrued professional fees</td>
<td>—</td>
<td>233</td>
<td>526</td>
</tr>
<tr>
<td>Accrued external research and development expense</td>
<td>1,570</td>
<td>1,347</td>
<td>2,127</td>
</tr>
<tr>
<td>Accrued final debt payment</td>
<td>—</td>
<td>557</td>
<td>580</td>
</tr>
<tr>
<td>Other</td>
<td>209</td>
<td>225</td>
<td>232</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,758</strong></td>
<td><strong>$4,229</strong></td>
<td><strong>$4,204</strong></td>
</tr>
</tbody>
</table>

6. Collaboration and research agreements

Leukemia & Lymphoma Society

In July 2012, the Company entered into the LLS Agreement pursuant to which LLS committed to provide Funding to the Company for research and development services, conditional on (i) the achievement of milestones in accordance with the LLS Agreement and (ii) equal funding being provided by the Company. Through December 31, 2017, the Company received Funding totaling $7.2 million from LLS upon the achievement of specified milestones including $0.3 million received in 2016 and $0.6 million received in 2017, which were recorded as a reduction of research and development expense in those periods. There was no funding received during the three months ended March 31, 2017 or 2018 (unaudited).

The LLS Agreement requires the Company to make payments to LLS upon the Company’s achievement of specified milestones that could total up to $25.0 million in aggregate (see Note 13).

Genentech

The Company, Genentech, Inc. (“Genentech”) and F. Hoffman-La Roche Ltd, the Swiss parent company of Genentech, entered into three agreements effective January 9, 2012; a License and Collaboration Agreement, an Option Agreement, and a Merger Agreement (collectively the “GNE Arrangement”). Pursuant to the GNE Arrangement, the parties agreed to conduct a research collaboration program under which they would work together over a three-year research term, which could be extended by one year upon written notice by Genentech to discover and validate epigenetic targets and to discover and develop compounds suitable for clinical development and commercialization that bind to and modulate such targets. The GNE Arrangement also
Constellation Pharmaceuticals, Inc.
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included an exclusive option for Genentech to acquire the outstanding shares of the Company (the “GNE Option”) for pre-determined payments. The activities under the GNE Arrangement were evaluated in accordance with ASC 605-25 to identify deliverables and non-contingent consideration of $95.0 million was allocated to the units of accounting and recognized upon delivery of each unit of accounting. Prior to December 31, 2015, the Company’s performance obligations under the GNE Arrangement were complete, Genentech had notified the Company that they were not exercising the GNE Option, and all non-contingent revenue as well as milestone payments received had been recognized as revenue by the Company. No additional consideration was received, due or earned after December 31, 2015.

The GNE Arrangement includes milestone payments and future sales-based milestones and royalties payable to the Company by Genentech upon achievement of specified milestones and sales targets by Genentech. The Company determined certain milestone payments to be substantive and other milestone payments to not be substantive. However, as the Company's performance obligations were completed prior to December 31, 2015, any future milestone payments received by the Company will be recorded as revenue if and when they become probable and estimable. The Company did not receive any milestone payments or royalties from Genentech during the years ending December 31, 2016 or 2017 or the three months ended March 31, 2017 or 2018 (unaudited), nor did any payments from Genentech become probable or estimable.

As a result of Genentech not exercising the GNE Option, the Company was required to repay $1.2 million of reimbursed expenses previously received from Genentech that could otherwise have been used to offset payment if the GNE Option had been exercised. The Company repaid the liability in February 2016.

7. Debt

Long-term debt consisted of the following (in thousands):

<table>
<thead>
<tr>
<th>Description</th>
<th>December 31, 2018 (unaudited)</th>
<th>March 31, 2018 (unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal amount of term loans</td>
<td>$10,742</td>
<td>$4,116</td>
</tr>
<tr>
<td>Debt discount current portion</td>
<td>(88)</td>
<td>(13)</td>
</tr>
<tr>
<td>Less: Current portion</td>
<td>(6,546)</td>
<td>(4,103)</td>
</tr>
<tr>
<td>Long-term debt, net of current portion</td>
<td>4,108</td>
<td>—</td>
</tr>
<tr>
<td>Debt discount net of current portion</td>
<td>(12)</td>
<td>—</td>
</tr>
<tr>
<td>Long-term debt, net of discount and current portion</td>
<td>$4,096</td>
<td>$—</td>
</tr>
</tbody>
</table>

The Company had a loan agreement entered into in 2013 (the “2013 Loan Agreement”) which had a total borrowing capacity of $15.0 million that was fully drawn down. The 2013 Loan Agreement required interest only payments at 7.25% through August 1, 2015. Subsequent to the interest-only period, borrowings under the agreement were required to be repaid in 30 monthly installments at a rate of 7.25% per annum. In addition to these principal payments, the Company was required to make a final payment of 9% of the original principal amount in January 2018 (or upon earlier termination of the agreement) to the lender, which amount was being accreted to the carrying value of the debt, using the effective interest method.

In April 2016, the Company entered into a new loan agreement (the “2016 Loan Agreement”) with the same lenders, pursuant to which the Company borrowed $11.8 million. The terms of the 2016 Loan Agreement
required that the existing outstanding balance due under the 2013 Loan Agreement of $10.8 million as well as $0.9 million of the final fee from the 2013 Loan Agreement be repaid. Accordingly, the Company used $11.7 million of proceeds from the 2016 Loan Agreement to repay amounts due under the 2013 Loan Agreement. The 2016 Loan Agreement was accounted for as a debt modification, rather than a debt extinguishment, based on a comparison of the present value of the cash flows under the terms of the outstanding debt immediately before and after the 2016 Loan Agreement, which resulted in a change of less than 10%. As a result, issuance costs paid to the lender in connection with the 2016 Loan Agreement were recorded as a reduction of the carrying amount of the debt liability and were not significant. Unamortized issuance costs as of the date of the modification are amortized to interest expense using the effective interest method over the revised repayment term. Issuance costs paid to third parties were recorded as expense and were not significant.

The 2016 Loan Agreement obligated the Company to make monthly, interest-only payments until November 1, 2016 and, thereafter, to pay 21 consecutive, equal monthly installments of principal plus interest from November 1, 2016 through July 1, 2018. The 2016 Loan Agreement bears interest at an annual rate of 7.6%. In addition, a final payment equal to 5.0% of the original principal amount is due upon the final principal payment for the tranche, which amount is being accreted over the term of the debt, using the effective interest method. As of December 31, 2016, the total amount accrued included in other long-term liabilities was $0.3 million. As of December 31, 2017 and March 31, 2018 (unaudited), the total amount accrued included in accrued expenses and other current liabilities was $0.6 million. The effective annual interest rate of the outstanding debt under the 2016 Loan Agreement is approximately 12%. Borrowings under the 2016 Loan Agreement mature on July 1, 2018 and are collateralized by substantially all of the Company's personal property, other than its intellectual property, and a negative pledge on intellectual property. There are no financial covenants associated with the 2016 Loan Agreement, however, there are negative covenants restricting the Company's activities, including limitations on dispositions, mergers or acquisitions, incurring indebtedness or liens, paying dividends or making investments and certain other business transactions. The obligations under the 2016 Loan Agreement are subject to acceleration upon the occurrence of specified events of default, including a material adverse change in the Company's business, operations or financial or other condition. The Company has determined that the risk of subjective acceleration under the material adverse events clause is not probable and therefore has classified the outstanding principal in current and long-term liabilities based on scheduled principal payments.

In connection with the 2013 Loan Agreement, the lenders received warrants to purchase 125,000 and 250,000 shares of the Company's Series B convertible preferred stock with an exercise price of $1.20 per share and a 10-year term. The fair value of the warrants as of the issuance dates of $0.3 million was recorded as a preferred stock warrant liability and debt discount (see Note 9). The debt discount is being amortized to interest expense using the effective-interest method from the date of issuance through the maturity date. The Company accrues the final payment of $0.6 million and charges interest expense using the effective-interest method from the date of issuance through the maturity date. For the years ended December 31, 2016 and 2017, the Company recorded $1.3 million and $0.9 million of interest expense, respectively, related to outstanding borrowings under the 2013 and 2016 Loan Agreements. For the three months ended March 31, 2017 and 2018 (unaudited), the Company recorded $0.3 million and $0.1 million of interest expense, respectively, related to outstanding borrowings under the 2013 and 2016 Loan Agreements.

The Company assessed all terms and features of the 2013 and 2016 Loan Agreements in order to identify any potential embedded features that would require bifurcation. As part of this analysis, the Company assessed the
Constellation Pharmaceuticals, Inc.  
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economic characteristics and risks of the debt. The Company determined that all features of the 2013 and 2016 Loan Agreements are either clearly and closely associated with a debt host or have a de minimus fair value and, as such, do not require separate accounting as a derivative liability.

As of December 31, 2017 and March 31, 2018 (unaudited), future principal payments of $4.1 million and $2.4 million, respectively, under the 2016 Loan Agreement are due by July 1, 2018 and therefore classified as current liabilities. Additionally, the final payment of 5.0% of original principal, or $0.6 million, will be due on the loan maturity date of July 1, 2018 and therefore is also classified as current liabilities.

8. Convertible preferred stock

The Company has issued Series A, Series B, Series D, Series E, Series E-1 and Series F convertible preferred stock (collectively the “Preferred Stock”). The Preferred Stock is classified outside of stockholders’ equity (deficit) because the shares contain redemption features that are not solely within the control of the Company.

In September 2016, the Company issued and sold 13,884,691 shares of Series E-1 convertible preferred stock (“Series E-1”) at a price of $1.75 per share for gross proceeds of $24.3 million. In connection with this issuance and sale of Series E-1, the purchasers of Series E-1 were given the right to purchase up to 13,884,691 additional shares of Series E-1 at a price of $1.75 per share upon the earlier of one year from the issuance date or the achievement of a strategic event as determined by the board of directors of the Company. In 2017, the strategic event occurred and, in July 2017, the Company issued and sold 13,846,174 shares of Series E-1 convertible preferred stock at a price of $1.75 per share to these existing investors for total proceeds of $24.2 million. The Company determined that the future tranche obligation (“Series E-1 Tranche Right”) of the Series E-1 preferred stock purchase agreement met the definition of a freestanding financial instrument because it was legally detachable and separately exercisable from the Series E-1 convertible preferred stock. The Company determined that the embedded future tranche obligation required bifurcation for accounting purposes and therefore, the Company allocated the proceeds received from the sale of the shares between the Series E-1 Tranche Right and the Series E-1 convertible preferred stock. As the Series E-1 is redeemable upon a deemed liquidation, the Series E-1 Tranche Right was classified as a liability at its fair value of $4.9 million upon issuance. The estimated fair value of the Series E-1 Tranche Right was determined using a Black-Scholes option-pricing model. The Series E-1 Tranche Right was remeasured at fair value at each subsequent reporting period prior to exercise and the change in fair value was recorded as a component of other income (expense) in the accompanying statements of operations and comprehensive loss (Note 3). Upon exercise of the Series E-1 Tranche Right in July 2017, the Series E-1 Tranche Right liability was settled.

In March 2018, the Company issued and sold an aggregate of 68,500,000 shares of Series F convertible preferred stock (the “Series F Preferred Stock”), at a price of $1.00 per share, for proceeds of $68.4 million, net of issuance costs of $0.1 million. In connection with the issuance of the Series F Preferred Stock, the holders of the previously outstanding Preferred Stock agreed to remove their cumulative dividend rights and waive certain anti-dilution rights. The Company assessed whether this change to the previously outstanding shares of Series A, B, D, E and E-1 Preferred Stock was an extinguishment or modification. Based on qualitative analysis, there were no substantive changes in cash flows to the previously issued securities as a result of the additional issuance and therefore the change was accounted for as a modification. This modification did not have any impact on the Company's financial statements.

Upon issuance, and amendment, if any, of each class of Preferred Stock, the Company assessed the embedded conversion and liquidation features of the securities and determined that such features did not require the
## Notes to financial statements

Company to separately account for these features. The Company also concluded that no beneficial conversion feature existed upon the issuance date of each class of Preferred Stock.

As of each balance sheet date, the Preferred Stock consisted of the following (in thousands, except share amounts):

<table>
<thead>
<tr>
<th>Series</th>
<th>Preferred stock authorized</th>
<th>Preferred stock issued and outstanding</th>
<th>Carrying value</th>
<th>Liquidation preference</th>
<th>Common stock issuable upon conversion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>December 31, 2016</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series A preferred stock</td>
<td>32,270,000</td>
<td>32,158,888</td>
<td>$32,024</td>
<td>$32,159</td>
<td>32,158,888</td>
</tr>
<tr>
<td>Series B preferred stock</td>
<td>31,416,665</td>
<td>31,041,665</td>
<td>$36,933</td>
<td>$37,250</td>
<td>31,041,665</td>
</tr>
<tr>
<td>Series D preferred stock</td>
<td>3,125,000</td>
<td>3,125,000</td>
<td>$4,938</td>
<td>$5,000</td>
<td>3,125,000</td>
</tr>
<tr>
<td>Series E preferred stock</td>
<td>24,810,759</td>
<td>24,810,759</td>
<td>$55,749</td>
<td>$55,824</td>
<td>31,899,547</td>
</tr>
<tr>
<td>Series E-1 preferred stock</td>
<td>27,769,382</td>
<td>27,730,865</td>
<td>$43,584</td>
<td>$48,529</td>
<td>27,730,865</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>119,391,806</td>
<td>118,867,177</td>
<td>$173,228</td>
<td>$178,762</td>
<td>125,955,965</td>
</tr>
</tbody>
</table>

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<tr>
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<tbody>
<tr>
<td><strong>December 31, 2017</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series A preferred stock</td>
<td>32,270,000</td>
<td>32,158,888</td>
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<th>Liquidation preference</th>
<th>Common stock issuable upon conversion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>March 31, 2018 (unaudited)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series A preferred stock</td>
<td>32,158,888</td>
<td>32,158,888</td>
<td>$32,024</td>
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<td>27,730,865</td>
<td>$43,584</td>
<td>$48,529</td>
<td>27,730,865</td>
</tr>
<tr>
<td>Series F preferred stock</td>
<td>100,000,000</td>
<td>68,500,000</td>
<td>$68,368</td>
<td>$68,500</td>
<td>68,500,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>219,242,177</td>
<td>187,367,177</td>
<td>$241,596</td>
<td>$247,262</td>
<td>194,455,965</td>
</tr>
</tbody>
</table>

The holders of the Preferred Stock have the following rights and preferences:

**Voting**

The holders of Preferred Stock are entitled to vote, together with the holders of common stock, on matters submitted to stockholders for a vote. The holders of Preferred Stock are entitled to the number of votes equal to the number of shares of common stock into which each such share of Preferred Stock could convert.
Conversion

Each share of Preferred Stock is convertible at the option of the holder at any time after the date of issuance. Each share of Preferred Stock will be automatically converted into shares of common stock at the applicable conversion ratio then in effect (i) upon the closing of a firm commitment public offering with at least $35 million of gross proceeds to the Company, and at a price of at least $1.00 per share, subject to appropriate adjustment in the event of any stock split, stock dividend, combination or other similar recapitalization, or, (ii) upon the written consent of at least a majority of the holders of the then-outstanding shares of Preferred Stock voting together as a single class on an as-converted basis. The conversion ratio of each series of Preferred Stock is determined by dividing the Original Issue Price of each series by the Conversion Price of each series. The Original Issue Price is $1.00 per share for Series A convertible preferred stock, (“Series A”), $1.20 per share for Series B convertible preferred stock (“Series B”), $1.60 for Series D convertible preferred stock (“Series D”), $2.25 for Series E convertible preferred stock (“Series E”), $1.75 for Series E-1 convertible preferred stock and $1.00 for Series F convertible preferred stock (“Series F”). The Conversion Price, as adjusted for Series E in 2016 as a result of the issuance of Series E-1 preferred stock at a price per share of less than the conversion price of Series E preferred stock, is $1.00 per share for Series A, $1.20 per share for Series B, $1.60 for Series D, $1.75 for Series E, $1.75 for Series E-1 and $1.00 for Series F, subject, in each case, to appropriate adjustment in the event of any stock split, stock dividend, combination or other similar recapitalization and other adjustments as set forth in the Company’s certificate of incorporation, as amended and restated.

The Company evaluated the conversion ratios of the Preferred Stock, including the adjusted conversion ratio of the Series E convertible preferred stock, and concluded that there are no beneficial conversion features that require separate accounting, as the carrying value of each series of Preferred Stock is greater than the fair value of common stock into which they convert.

Dividends

As of December 31, 2017, the holders of Series E and Series E-1 Preferred Stock were entitled to receive, prior to or simultaneously with the holders of Series A, Series B and Series D Preferred Stock, cumulative dividends at the rate of eight percent (8%), compounded quarterly, of the Series E and Series E-1 Original Issue Price, as applicable, per annum on each then-outstanding share of Series E and Series E-1 Preferred Stock. The holders of Series A, Series B and Series D Preferred Stock were entitled to receive dividends at the rate of eight percent (8%), compounded quarterly, of the Original Issue Price, as applicable, per annum on each then-outstanding share, subject to the rights of the Series E and Series E-1 described above. Holders of Series A, Series B, Series D, Series E and Series E-1 Preferred Stock were entitled to receive dividends only when, as, and if declared by the Company’s board of directors. The Company could not declare, pay or set aside any dividends on shares of any other series of capital stock of the Company, other than dividends on common stock payable in common stock, unless the holders of the Preferred Stock first received, or simultaneously received, a dividend on each outstanding share of Preferred Stock in an amount at least equal to the greater of (i) 8% per share, as compounded quarterly, on a calendar-year basis, subject to appropriate adjustment in the event of any stock split, stock dividend, combination or other similar recapitalization with respect to such shares, and (ii) the amount of dividend payable on the Preferred Stock calculated as if all shares of Preferred Stock had been converted to common stock.

No dividends were declared or paid during the years ended December 31, 2016 or 2017. As of December 31, 2017, cumulative undeclared and unpaid dividends totaled $76.6 million.
As of March 31, 2018 (unaudited), the holders of Preferred Stock are no longer entitled to cumulative dividends. The holders of Series E, Series E-1 and Series F Preferred Stock are entitled to receive, prior to or simultaneously with the holders of Series A, Series B and Series D Preferred Stock, non-cumulative dividends at the rate of eight percent (8%) per annum, of the Series E, Series E-1 and Series F Original Issue Price, as applicable, per annum on each then-outstanding share of Series E, Series E-1 and Series F Preferred Stock. The holders of Series A, Series B and Series D Preferred Stock will be entitled to receive dividends at the rate of eight percent (8%) per annum, of the Original Issue Price, as applicable, per annum on each then-outstanding share, subject to the rights of the Series E, Series E-1 and Series F described above. Holders of Series A, Series B, Series D, Series E, Series E-1 and Series F Preferred Stock are entitled to receive dividends only when, as, and if declared by the Company’s board of directors. The Company may not declare, pay or set aside any dividends on shares of any other series of capital stock of the Company, other than dividends on common stock payable in common stock, unless the holders of the Preferred Stock first receive, or simultaneously receive, a dividend on each outstanding share of Preferred Stock in an amount at least equal to the greater of (i) 8% per share, on a calendar-year basis, subject to appropriate adjustment in the event of any stock split, stock dividend, combination or other similar recapitalization with respect to such shares, and (ii) the amount of dividend payable on the Preferred Stock calculated as if all shares of Preferred Stock had been converted to common stock. As of March 31, 2018 (unaudited), no dividends have been declared or paid.

In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Company or Liquidating Event (as described below), the holders of shares of Series E, Series E-1 and Series F Preferred Stock will receive, in preference to the holders of the Series A, Series B and Series D Preferred Stock or common stock, an amount equal to the Original Issue Price per share of the respective share of Preferred Stock, plus all dividends declared but unpaid, or other dividends required to be paid, on such shares. In the event that the assets available for distribution to the Company’s stockholders are not sufficient to permit payment to the holders of Series E, Series E-1 and Series F Preferred Stock in the full amount to which they are entitled, the assets available for distribution will be distributed on a pro rata basis among the holders of the Series E, Series E-1 and Series F Preferred Stock.

After the payment of the full liquidation amounts to the holders of the Series E, Series E-1 and Series F Preferred Stock, but before any distribution or payment to holders of common stock the holders of Series A, Series B and Series D Preferred Stock will receive an amount equal to the Original Issue Price per share of the respective share of Preferred Stock, plus all dividends declared but unpaid, or other dividends required to be paid, on such shares. In the event that the assets available for distribution to the Company’s stockholders are not sufficient to permit payment to the holders of Series A, Series B, Series D, Series E, Series E-1 and Series F Preferred Stock in the full amount to which they are entitled, then, after the payment of any preferential amounts required to be paid to the holders of Series E, Series E-1 and Series F Preferred Stock, the assets available for distribution will be distributed on a pro rata basis among the holders of the Series A, Series B and Series D Preferred Stock.

After the payment of all preferential amounts to the holders of the Preferred Stock then, to the extent available, the remaining assets available for distribution shall be distributed among the holders of common stock, pro rata based on the number of shares held by each such holder.

Unless the holders of a majority of the then-outstanding shares of Series A, Series B and Series D Preferred Stock, voting together as a single class on an as-converted to common stock basis and a majority of the
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outstanding shares of Series E, Series E-1 and F Preferred Stock voting together as a single class on an as-converted basis, elect otherwise, a Liquidating Event includes a merger or consolidation (other than one in which stockholders of the Company own a majority by voting power of the outstanding shares of the surviving or acquiring corporation) or a sale, lease, transfer, exclusive license or other disposition of all or substantially all of the assets of the Company.

9. Warrants to purchase convertible preferred stock

In 2008, the Company issued a warrant to purchase 120,000 shares of Series A Preferred Stock in conjunction with a previously outstanding loan agreement. The warrant was exercisable immediately at a price of $1.00 per share and was exercised in August 2016 in a cashless exercise for 8,888 shares of Series A Preferred Stock.

In June 2013, the Company issued warrants to purchase 125,000 shares of Series B Preferred Stock in conjunction with the 2013 Loan Agreement (see Note 7). The warrants were exercisable immediately at a price of $1.20 per share and have a contractual term of ten years from issuance. The fair value of the warrants at issuance was estimated to be $0.1 million and was recorded as a debt discount and as a preferred stock warrant liability.

In September 2014, the Company issued warrants to purchase 250,000 shares of Series B Preferred Stock in conjunction with the 2013 Loan Agreement (see Note 7). The warrants were exercisable immediately at a price of $1.20 per share and have a contractual term of ten years from issuance. The fair value of the warrants at issuance was estimated to be $0.3 million and was recorded as a debt discount and as a preferred stock warrant liability.

The Company is required to remeasure the fair value of the liability for these preferred stock warrants at each reporting date since their grant date, with any adjustments recorded in interest expense. The warrants outstanding at each reporting date were remeasured using the Black-Scholes option-pricing model, and the resulting change in fair value was recorded in interest expense in the Company’s statements of operations and comprehensive loss.

The following table summarizes the Company’s outstanding preferred stock warrants as of December 31, 2016 (in thousands, except share and per share amounts):

<table>
<thead>
<tr>
<th>Issuance date</th>
<th>Term (in years)</th>
<th>Convertible preferred stock</th>
<th>Number of preferred shares issuable under warrant</th>
<th>Exercise price</th>
<th>Warrant fair value as of December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 28, 2013</td>
<td>10</td>
<td>Series B</td>
<td>125,000</td>
<td>$ 1.20</td>
<td>73</td>
</tr>
<tr>
<td>September 30, 2014</td>
<td>10</td>
<td>Series B</td>
<td>250,000</td>
<td>$ 1.20</td>
<td>153</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>375,000</td>
<td></td>
<td>226</td>
</tr>
</tbody>
</table>

The following table summarizes the Company’s outstanding preferred stock warrants as of December 31, 2017 (in thousands, except share and per share amounts):

<table>
<thead>
<tr>
<th>Issuance date</th>
<th>Term (in years)</th>
<th>Convertible preferred stock</th>
<th>Number of preferred shares issuable under warrant</th>
<th>Exercise price</th>
<th>Warrant fair value as of December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 28, 2013</td>
<td>10</td>
<td>Series B</td>
<td>125,000</td>
<td>$ 1.20</td>
<td>84</td>
</tr>
<tr>
<td>September 30, 2014</td>
<td>10</td>
<td>Series B</td>
<td>250,000</td>
<td>$ 1.20</td>
<td>170</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>375,000</td>
<td></td>
<td>254</td>
</tr>
</tbody>
</table>
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Constellation Pharmaceuticals, Inc.
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The following table summarizes the Company’s outstanding preferred stock warrants as of March 31, 2018 (in thousands, except share and per share amounts):

<table>
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<tr>
<th>Issuance date</th>
<th>Term (in years)</th>
<th>Convertible preferred stock</th>
<th>Number of preferred shares issuable under warrant</th>
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<th>Warrant fair value as of March 31, 2018 (unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 28, 2013</td>
<td>10</td>
<td>Series B</td>
<td>125,000</td>
<td>$1.20</td>
<td>$61</td>
</tr>
<tr>
<td>September 30, 2014</td>
<td>10</td>
<td>Series B</td>
<td>250,000</td>
<td>$1.20</td>
<td>128</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>375,000</td>
<td></td>
<td>189</td>
</tr>
</tbody>
</table>

10. Equity

Common stock

As of December 31, 2017 and March 31, 2018 (unaudited), the Company’s certificate of incorporation, as amended and restated, authorized the Company to issue 161,162,923 and 290,000,000 shares of common stock, respectively, $0.0001 par value per share.

Each share of common stock entitles the holder to one vote on all matters submitted to a vote of the Company’s stockholders. Common stockholders are not entitled to receive dividends, unless declared by the Company’s board of directors and subsequent to payment of all accrued unpaid dividends on Preferred Stock. No dividends have been declared or paid by the Company since its inception.

Warrants to purchase common stock

As of December 31, 2016 and 2017 and March 31, 2018 (unaudited), the Company has outstanding warrants to purchase 1,250,000 shares of common stock with an exercise price of $0.14 per share. The warrants were issued in 2011 in connection with the issuance and sale of Series B Preferred Stock. The warrants were immediately exercisable and expire in May 2021.

11. Stock-based compensation

2008 stock incentive plan

The Company’s 2008 Stock Incentive Plan (the “2008 Plan”) provides for the Company to grant incentive stock options or nonqualified stock options, restricted stock, restricted stock units and other equity awards to employees, directors, consultants and advisors of the Company. The 2008 Plan is administered by the board of directors or, at the discretion of the board of directors, by a committee of the board of directors. The board of directors may also delegate to one or more officers of the Company the power to grant awards to employees and certain officers of the Company. The exercise prices, vesting and other restrictions are determined at the discretion of the board of directors, or its committee if so delegated.

Stock options granted under the 2008 Plan with service-based vesting conditions generally vest over four years and expire after ten years.

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The total number of shares of common stock that may be issued under the 2008 Plan was 32,494,000 shares as of December 31, 2017, of which 705,407 shares remained available for future issuance as of December 31, 2017. During the three months ended March 31, 2018, the Company increased the number of shares of common stock authorized for issuance under the 2008 Plan from 32,494,000 shares to 44,474,500 shares. As of March 31, 2018 (unaudited), 7,229,949 shares remained available for future issuance under the 2008 Plan. Shares that are expired, terminated, surrendered or canceled without having been fully exercised will be available for future awards under the 2008 Plan. The exercise price for stock options granted is not less than the fair value of common shares as determined by the board of directors as of the date of grant. The Company’s board of directors values the Company's common stock, taking into consideration its most recently available valuation of common stock performed by third parties as well as additional factors which may have changed since the date of the most recent contemporaneous valuation through the date of grant.

**Stock option valuation**

The fair value of stock option grants is estimated using the Black-Scholes option-pricing model. The Company historically has been a private company and lacks company-specific historical and implied volatility information. Therefore, it estimates its expected stock volatility based on the historical volatility of a representative group of public companies in the biotechnology industry and expects to continue to do so until such time as it has adequate historical data regarding the volatility of its own traded stock price. For options with service-based vesting conditions, the expected term of the Company’s stock options has been determined utilizing the simplified method as prescribed by the SEC Staff Accounting Bulletin No. 107, *Share-Based Payment*, for awards that qualify as “plain-vanilla” options. The expected term of stock options granted to nonemployees is equal to the contractual term of the option award. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future.

The following table presents, on a weighted average basis, the assumptions used in the Black-Scholes option-pricing model to determine the fair value of stock options granted to employees and directors:

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31,</th>
<th>Three months ended March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk-free interest rate</td>
<td>1.51%</td>
<td>2.04%</td>
</tr>
<tr>
<td>Expected volatility</td>
<td>75.34%</td>
<td>79.82%</td>
</tr>
<tr>
<td>Expected dividend yield</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Expected term (in years)</td>
<td>6.35</td>
<td>6.00</td>
</tr>
</tbody>
</table>
Constellation Pharmaceuticals, Inc.
Notes to financial statements

The following table summarizes the Company's option activity since December 31, 2016:

<table>
<thead>
<tr>
<th>Number of shares</th>
<th>Weighted average exercise price</th>
<th>Weighted average contractual term (in years)</th>
<th>Aggregate intrinsic value (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding as of December 31, 2016</td>
<td>6,179,717</td>
<td>$0.49</td>
<td>8.00</td>
</tr>
<tr>
<td>Granted</td>
<td>14,866,875</td>
<td>0.51</td>
<td></td>
</tr>
<tr>
<td>Exercised</td>
<td>(199,875)</td>
<td>0.32</td>
<td></td>
</tr>
<tr>
<td>Forfeited</td>
<td>(1,809,355)</td>
<td>0.53</td>
<td></td>
</tr>
<tr>
<td>Outstanding as of December 31, 2017</td>
<td>19,037,362</td>
<td>$0.50</td>
<td>8.87</td>
</tr>
<tr>
<td>Granted</td>
<td>5,587,975</td>
<td>0.69</td>
<td></td>
</tr>
<tr>
<td>Exercised</td>
<td>(4,500)</td>
<td>0.51</td>
<td></td>
</tr>
<tr>
<td>Forfeited</td>
<td>(132,017)</td>
<td>0.51</td>
<td></td>
</tr>
<tr>
<td>Outstanding as of March 31, 2018 (unaudited)</td>
<td>24,488,820</td>
<td>$0.55</td>
<td>8.92</td>
</tr>
<tr>
<td>Vested and expected to vest as of December 31, 2017</td>
<td>19,037,362</td>
<td>$0.50</td>
<td>8.87</td>
</tr>
<tr>
<td>Vested and expected to vest as of March 31, 2018 (unaudited)</td>
<td>24,488,820</td>
<td>$0.55</td>
<td>8.92</td>
</tr>
<tr>
<td>Options exercisable as of December 31, 2017</td>
<td>4,755,994</td>
<td>$0.47</td>
<td>6.90</td>
</tr>
<tr>
<td>Options exercisable as of March 31, 2018 (unaudited)</td>
<td>6,489,472</td>
<td>$0.48</td>
<td>7.36</td>
</tr>
</tbody>
</table>

Prior to July 2016, the Company's stock option agreements allowed for the exercise of unvested stock option awards. The unvested shares are subject to repurchase by the Company if the employees cease to provide service to the Company, with or without cause. The table above reflects unvested stock options as exercised on the dates that the shares are no longer subject to repurchase. Payment for unvested shares is recorded as a long-term liability in the accompanying balance sheets. The liability for unvested common stock subject to repurchase is then reclassified into stockholders' equity as the shares vest. As of December 31, 2016 and 2017, and March 31, 2018 (unaudited) options for the purchase of 29,062, 11,062 and 6,562 shares of common stock, respectively, had been exercised but were unvested and subject to repurchase. As of December 31, 2016 and 2017, and March 31, 2018 (unaudited) the long-term liability related to the payments for unvested shares was less than $0.1 million. For options granted after July 2016, the Company's stock option agreements no longer allow for early exercise of the options.

The aggregate intrinsic value of stock options is calculated as the difference between the exercise price of the stock options and the fair value of the Company's common stock for those stock options that had strike prices lower than the fair value of the Company's common stock. The aggregate intrinsic value of stock options exercised during the years ended December 31, 2016 and 2017 was $0.1 million and less than $0.1 million, respectively. The aggregate intrinsic value of stock options exercised during each of the three months ended March 31, 2017 and 2018 (unaudited) was less than $0.1 million.

The weighted average grant-date fair value of awards granted during each of the years ended December 31, 2016 and 2017 was $0.42 per share. The weighted average grant-date fair value of awards granted during the three months ended March 31, 2017 and 2018 (unaudited) was $0.34 per share and $0.49 per share, respectively.
As of December 31, 2017 and March 31, 2018 (unaudited), there were outstanding unvested service-based stock options held by nonemployees for the purchase of 783,125 and 719,375 shares of common stock, respectively.

Stock-based compensation
The Company recorded stock-based compensation expense in the following expense categories of its statements of operations and comprehensive loss (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31,</th>
<th>Three months ended March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>$589</td>
<td>$559</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>259</td>
<td>592</td>
</tr>
<tr>
<td>Total</td>
<td>$848</td>
<td>$1,151</td>
</tr>
</tbody>
</table>

As of December 31, 2017, total unrecognized compensation cost related to the unvested stock-based awards was $5.6 million, which is expected to be recognized over a weighted average period of 3.4 years. As of March 31, 2018 (unaudited), total unrecognized compensation cost related to the unvested stock-based awards was $7.7 million, which is expected to be recognized over a weighted average period of 3.4 years.

12. Income taxes
2017 U.S. tax reform
On December 22, 2017, the Tax Cuts and Jobs Act (the “TCJA”) was signed into U.S. law. The TCJA includes a number of changes to existing tax law, including, among other things, a permanent reduction in the federal corporate income tax rate from 35% to 21%, effective as of January 1, 2018, as well as limitation of the deduction for net operating losses to 80% of current year taxable income and elimination of net operating loss carrybacks, in each case, for losses arising in taxable years beginning after December 31, 2017 (though any such net operating losses may be carried forward indefinitely).

The staff of the Securities and Exchange Commission issued Staff Accounting Bulletin No. 118 to address the application of GAAP in situations when a registrant does not have the necessary information available, prepared or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the TCJA. The Company is still in the process of analyzing the impact to the Company of the TCJA and its analysis is not yet complete. Where the Company has been able to make reasonable estimates of the effects related to the TCJA, the Company has recorded provisional amounts.

In connection with the initial analysis of the impact of the TCJA, the Company remeasured its deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally 21% for federal tax purposes. The federal tax rate change resulted in a reduction in the gross amount of the Company's deferred tax assets recorded as of December 31, 2017, and a corresponding reduction in the Company's valuation allowance. All of the Company's recorded income tax benefits and provisions related to the TCJA are provisional. The provisional amounts recorded by the Company are based on guidance, interpretations and other information available as of April 27, 2018. The impact of the changes in U.S. tax law may be refined as further guidance, interpretations or information becomes available or upon completion by
Constellation Pharmaceuticals, Inc.
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the Company of its evaluation of the impact of the changes in U.S. tax law. Provisional amounts will be finalized no later than the fourth quarter of 2018, which is one year from when the TCJA was signed into law. The ultimate impact to the Company's financial statements of the TCJA may differ from the provisional amounts. During the three months ended March 31, 2018 (unaudited), the Company did not make any adjustments to the provisional amounts recorded as a result of the TCJA.

Income taxes

During the years ended December 31, 2016 and 2017 and the three months ended March 31, 2017 and 2018 (unaudited), the Company recorded no income tax benefits for the net operating losses incurred or for the research and development tax credits generated in each year due to its uncertainty of realizing a benefit from those items. A reconciliation of the U.S. federal statutory income tax rate to the Company's effective income tax rate is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>Federal statutory income tax rate</td>
<td>34.0%</td>
</tr>
<tr>
<td>State taxes, net of federal benefit</td>
<td>5.2</td>
</tr>
<tr>
<td>Federal and state research and development tax credit</td>
<td>3.6</td>
</tr>
<tr>
<td>Warrant Settlement</td>
<td>—</td>
</tr>
<tr>
<td>Permanent items</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Impact of the Tax Cuts and Jobs Act</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
</tr>
<tr>
<td>Change in deferred tax asset valuation allowance</td>
<td>(42.6)</td>
</tr>
<tr>
<td>Effective income tax rate</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Net deferred tax assets consisted of the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>Deferred tax assets:</td>
<td></td>
</tr>
<tr>
<td>Net operating loss carryforwards</td>
<td>$51,869</td>
</tr>
<tr>
<td>Research and development tax credit carryforwards</td>
<td>6,763</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>118</td>
</tr>
<tr>
<td>Other</td>
<td>486</td>
</tr>
<tr>
<td>Total deferred tax assets</td>
<td>59,236</td>
</tr>
<tr>
<td>Valuation allowance</td>
<td>($59,236)</td>
</tr>
<tr>
<td>Net deferred tax assets</td>
<td>$</td>
</tr>
</tbody>
</table>

As of December 31, 2017, the Company had U.S. federal and state net operating loss carryforwards of $168.9 million and $166.6 million, respectively, which may be available to offset future income tax liabilities and begin to expire in 2028. As of December 31, 2017, the Company also had U.S. federal and state research and
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development tax credit carryforwards of $6.8 million and $2.9 million, respectively, which may be available to offset future income tax liabilities and begin to expire in 2028 and 2025, respectively. During the three months ended March 31, 2018 (unaudited), gross deferred tax assets increased by approximately $3.7 million due to the operating loss incurred by the Company during that period.

Utilization of the U.S. federal and state net operating loss carryforwards and research and development tax credit carryforwards may be subject to a substantial annual limitation under Section 382 of the Internal Revenue Code of 1986, and corresponding provisions of state law, due to ownership changes that have occurred previously or that could occur in the future. These ownership changes may limit the amount of carryforwards that can be utilized annually to offset future taxable income. In general, an ownership change, as defined by Section 382, results from transactions increasing the ownership of certain stockholders or public groups in the stock of a corporation by more than 50% over a three-year period. The Company completed several financings through December 31, 2011, which resulted in ownership changes in excess of 50%. The Company prepared an analysis to determine the effect of the ownership change limitation on its ability to utilize its net operating loss and tax credit carryforwards, and concluded that as a result of ownership changes that occurred during 2008, there are restrictive limitations on approximately $1.9 million of the Company's net operating loss carryforwards and approximately $0.1 million of the Company's tax credit carryforwards. These limitations are reflected in the Company's net operating loss carryforwards and tax credit carryforwards presented herein. Subsequent ownership changes may further affect the limitation in future years. The Company has not conducted a study to assess whether a change of control has occurred since 2011 due to the significant complexity and cost associated with such a study. If the Company has experienced a change of control, as defined by Section 382, at any time since 2011, utilization of the net operating loss carryforwards or research and development tax credit carryforwards generated since 2011 would be subject to an annual limitation under Section 382, which is determined by first multiplying the value of the Company's stock at the time of the ownership change by the applicable long-term tax-exempt rate, and then could be subject to additional adjustments, as required. Any limitation may result in expiration of a portion of the net operating loss carryforwards or research and development tax credit carryforwards before utilization. Further, until an additional study is completed by the Company and any limitation is known, no amounts are being presented as an uncertain tax position.

The Company has evaluated the positive and negative evidence bearing upon its ability to realize the deferred tax assets. Management has considered the Company's history of cumulative net losses incurred since inception and its lack of commercialization of any products or generation of any revenue from product sales since inception and has concluded that it is more likely than not that the Company will not realize all of the benefits of the deferred tax assets. Accordingly, a full valuation allowance has been established against the deferred tax assets as of December 31, 2016 and 2017 and March 31, 2018 (unaudited). Management reevaluates the positive and negative evidence at each reporting period.
Changes in the valuation allowance for deferred tax assets during the years ended December 31, 2016 and 2017 related primarily to the increase in net operating loss carryforwards and research and development tax credit carryforwards in 2016 and 2017, and the impact of the TCJA in 2017, and were as follows (in thousands):

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>Valuation allowance as of beginning of year</td>
<td>$44,530</td>
<td>$59,236</td>
</tr>
<tr>
<td>Decreases recorded as benefit to income tax provision</td>
<td>—</td>
<td>(3,423)</td>
</tr>
<tr>
<td>Increases recorded to income tax provision</td>
<td>14,706</td>
<td>—</td>
</tr>
<tr>
<td>Valuation allowance as of end of year</td>
<td>$59,236</td>
<td>$55,813</td>
</tr>
</tbody>
</table>

As of December 31, 2016 and 2017 and March 31, 2018 (unaudited), the Company had not recorded any amounts for unrecognized tax benefits. The Company’s policy is to record interest and penalties related to income taxes as part of its income tax provision. As of December 31, 2016 and 2017 and March 31, 2018 (unaudited), the Company had no accrued interest or penalties related to uncertain tax positions and no amounts had been recognized in the Company’s statements of operations and comprehensive loss. The Company files income tax returns in the U.S. and Massachusetts. The statute of limitations for assessment by the Internal Revenue Service and Massachusetts tax authorities remains open for all years since 2014. No federal or state tax audits are currently in process.

13. Commitments and contingencies

Operating leases

The Company previously leased its facility under a non-cancellable operating lease that would have expired in June 2017. In September 2016, the Company amended the lease to extend the lease term until June 2020. Under the terms of the original lease and the amended lease, the Company secured a $0.2 million letter of credit as security for its leased facility. The underlying cash securing this letter of credit has been classified as non-current restricted cash in the accompanying balance sheets. Both the original lease and the amended lease include annual rent escalations and rent holidays, which are accrued, such that rent expense is recognized on a straight-line basis over the terms of occupancy.

Future minimum lease payments under the operating lease as of December 31, 2017 are as follows (in thousands):

<table>
<thead>
<tr>
<th>Year Ending December 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$2,395</td>
</tr>
<tr>
<td>2019</td>
<td>2,467</td>
</tr>
<tr>
<td>2020</td>
<td>1,252</td>
</tr>
<tr>
<td></td>
<td>$6,114</td>
</tr>
</tbody>
</table>

Rent expense for the years ended December 31, 2016 and 2017 was $1.8 million and $2.3 million, respectively. Rent expense for the three months ended March 31, 2017 and 2018 (unaudited) was $0.6 million and $0.6 million, respectively.
Research agreements

The LLS Agreement requires the Company to make certain milestone payments to LLS, that could total up to $25.0 million in aggregate, upon the receipt of payments by the Company associated with the licensing or transfer of rights to the related compound (or a product) to a third party, upon first regulatory approval of a product in the U.S., or upon the first regulatory approval of a product in Europe or Japan. As of December 31, 2017 and March 31, 2018 (unaudited), no events have occurred that would require payment of the milestones.

The Company has several in-license agreements with academic organizations. The Company is obligated to pay annual license maintenance fees of less than $0.1 million per year as well as reimburse certain institutions for costs incurred related to the filing, prosecution and maintenance of patent rights licensed under the agreements. In addition, the Company may be obligated to pay contingent milestone payments of up to a maximum of $15.7 million upon the achievement of certain defined events as well as royalties of low single-digit percentages of sales of licensed products. In certain cases, the maximum payments to the academic organizations are capped. If the Company grants any sublicense rights under the license agreements, the Company has agreed to pay a percentage of sublicense fees received by the Company to the licensors. The Company recorded less than $0.1 million in license fees as research and development expense in each of the years ended December 31, 2016 and 2017. As of December 31, 2017 and March 31, 2018 (unaudited), no events have occurred that would require payment of the milestones, royalties, or sublicense fees.

Indemnification agreements

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to vendors, lessors, business partners and other parties with respect to certain matters including, but not limited to, losses arising out of breach of such agreements or from intellectual property infringement claims made by third parties. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in many cases, unlimited. To date, the Company has not incurred any material costs as a result of such indemnifications. The Company does not believe that the outcome of any claims under indemnification arrangements will have a material effect on its financial position, results of operations or cash flows, and it has not accrued any liabilities related to such obligations in its financial statements as of December 31, 2016 or 2017 or March 31, 2018 (unaudited).

Legal proceedings

At each reporting date, the Company evaluates whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under the provisions of the authoritative guidance that addresses accounting for contingencies. The Company expenses as incurred the costs related to such legal proceedings. On January 17, 2017, a participant dosed in one of the Company's clinical trials filed a complaint against the Company in the United States District Court for the District of Arizona, alleging negligence, lack of informed consent, strict products liability and loss of consortium. The plaintiff is seeking unspecified damages. The Company filed an answer in March 2017 and the case is currently in discovery. The Company believes that it has meritorious defenses to the allegations made in the complaint. As of December 31, 2017 and March 31, 2018 (unaudited), the potential loss amount or potential range of loss is not probable or reasonably estimable, however the Company does not expect the results of this suit to have a material effect on its business or financial statements.
14. Net loss and unaudited pro forma net loss per share

Net loss per share

Basic and diluted net loss per share attributable to common stockholders was calculated as follows (in thousands, except share and per share amounts):

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31</th>
<th>Three months ended March 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td></td>
<td>(unaudited)</td>
<td>(unaudited)</td>
</tr>
<tr>
<td>Numerator:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss</td>
<td>$ (34,533)</td>
<td>$ (35,377)</td>
</tr>
<tr>
<td>Plus: Cumulative dividends on convertible preferred stock</td>
<td>(14,932)</td>
<td>(18,390)</td>
</tr>
<tr>
<td>Net loss attributable to common stockholders</td>
<td>$ (49,465)</td>
<td>$ (53,767)</td>
</tr>
<tr>
<td>Denominator:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted average common shares outstanding, basic and diluted</td>
<td>10,238,178</td>
<td>10,551,548</td>
</tr>
<tr>
<td>Net loss per share attributable to common stockholders, basic and diluted</td>
<td>$ (4.83)</td>
<td>$ (5.10)</td>
</tr>
</tbody>
</table>

The Company’s potential dilutive securities, which include convertible preferred stock, warrants for the purchase of convertible preferred shares, warrants for the purchase of common stock and common stock options, 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 common shares outstanding used to calculate both basic and diluted net loss per share attributable to common stockholders is the same. The Company excluded the following potential common shares, presented based on amounts outstanding at each period end, from the computation of diluted net loss per share attributable to common stockholders for the periods indicated because including them would have had an antidilutive effect:

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31</th>
<th>Three months ended March 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td></td>
<td>(unaudited)</td>
<td>(unaudited)</td>
</tr>
<tr>
<td>Convertible preferred shares (as converted to common stock)</td>
<td>112,109,791</td>
<td>125,955,965</td>
</tr>
<tr>
<td>Warrants for the purchase of convertible preferred stock (as converted to common stock)</td>
<td>375,000</td>
<td>375,000</td>
</tr>
<tr>
<td>Warrants for the purchase of common stock</td>
<td>1,250,000</td>
<td>1,250,000</td>
</tr>
<tr>
<td>Common stock issued for promissory notes</td>
<td>3,020,000</td>
<td>2,525,000</td>
</tr>
<tr>
<td>Options to purchase common stock</td>
<td>6,179,717</td>
<td>19,037,362</td>
</tr>
<tr>
<td>Total potential common shares</td>
<td>122,934,508</td>
<td>149,143,327</td>
</tr>
</tbody>
</table>
Unaudited pro forma net loss per share

The unaudited pro forma basic and diluted net loss per share attributable to common stockholders for the year ended December 31, 2017 has been prepared to give effect to adjustments arising upon the completion of a qualified initial public offering. The unaudited pro forma net loss attributable to common stockholders used in the calculation of unaudited pro forma basic and diluted net loss per share attributable to common stockholders does not include the effects of the cumulative dividends on preferred shares, the preferred stock tranche liability or the preferred stock warrant liability because the calculation gives effect to the automatic conversion of all shares of convertible preferred stock outstanding into shares of common stock as if the proposed initial public offering had occurred on the later of January 1, 2017 or the issuance date of the convertible preferred stock or convertible preferred stock warrant.

The unaudited pro forma basic and diluted weighted average common shares outstanding used in the calculation of unaudited pro forma basic and diluted net loss per share attributable to common stockholders for the year ended December 31, 2017 has been prepared to give effect, upon a qualified initial public offering, to the automatic conversion of all outstanding shares of convertible preferred stock into common stock as if the proposed initial public offering had occurred on the later of January 1, 2017 or the issuance date of the convertible preferred stock.

Unaudited pro forma basic and diluted net loss per share attributable to common stockholders was calculated as follows (in thousands, except share and per share amounts):

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31, 2017</th>
<th>Three months ended March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Numerator:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss attributable to common stockholders</td>
<td>$ (53,767)</td>
<td>$ (12,102)</td>
</tr>
<tr>
<td>Cumulative dividends on convertible preferred stock</td>
<td>18,390</td>
<td>—</td>
</tr>
<tr>
<td>Change in fair value of convertible preferred stock tranche liability</td>
<td>(4,443)</td>
<td>—</td>
</tr>
<tr>
<td>Change in fair value of convertible preferred stock warrant liability</td>
<td>28</td>
<td>(65)</td>
</tr>
<tr>
<td>Pro forma net loss attributable to common stockholders</td>
<td>$ (39,792)</td>
<td>$ (12,167)</td>
</tr>
<tr>
<td><strong>Denominator:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted average common shares outstanding, basic and diluted</td>
<td>10,551,548</td>
<td>10,711,550</td>
</tr>
<tr>
<td>Pro forma adjustment to reflect automatic conversion of convertible preferred stock to common stock upon the completion of the proposed initial public offering</td>
<td>118,141,412</td>
<td>132,805,965</td>
</tr>
<tr>
<td>Pro forma weighted average common shares outstanding, basic and diluted</td>
<td>128,692,960</td>
<td>143,517,515</td>
</tr>
<tr>
<td>Pro forma net loss per share attributable to common stockholders, basic and diluted</td>
<td>$ (0.31)</td>
<td>$ (0.08)</td>
</tr>
</tbody>
</table>
15. Retirement plan

The Company has a defined-contribution plan under Section 401(k) of the Internal Revenue Code (the “401(k) Plan”). The 401(k) Plan covers all employees who meet defined minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pre-tax basis. As currently established, the Company is not required to make contributions to the 401(k) Plan. The Company made matching contributions of $0.2 million for each of the years ended December 31, 2016 and 2017 and $0.1 million for each of the three months ended March 31, 2017 and 2018 (unaudited).

16. Related-party transactions

The Company has entered into promissory notes with two of its former officers to fund the early exercise of unvested stock options. The notes are accounted for as stock options, as they are collateralized solely by the shares of common stock issued, and the Company has a history of not requiring repayment of the notes upon termination from the Company. As of December 31, 2017, the outstanding promissory notes totaled $0.3 million. The promissory notes were fully repaid in the first quarter of 2018.

The Company had an agreement with its stockholders in which it agreed to indemnify each stockholder of the Company to the extent of any tax liabilities incurred rising directly out of the non-exercise by Genentech of the GNE Option to acquire the Company (Note 6). As a result of Genentech not exercising its option, the Company paid $3.3 million to the stockholders representing the estimated tax liability resulting from the non-exercise of the GNE Option of which $2.3 million was paid in 2015, and the remaining $1.0 million was paid in 2016. This amount was recorded as a reduction to additional paid-in capital as it was considered a return of capital to the stockholders.

17. Subsequent events

2008 stock incentive plan

In February 2018, the Company amended the 2008 Plan to extend the term through February 1, 2028.

In March 2018, the Company increased the number of shares of common stock authorized for issuance under the 2008 Plan from 32,494,000 shares to 44,474,500 shares.

In March 2018, the Company granted options for the purchase of 5,587,975 shares of common stock at an exercise price of $0.69 per share under the 2008 Plan. The aggregate grant-date fair value of the options granted was approximately $2.7 million, which is expected to be recognized as stock-based compensation expense over approximately four years.

On April 23, 2018, the Company granted options for the purchase of 5,001,883 shares of common stock at an exercise price of $0.73 per share under the 2008 Plan. The aggregate grant-date fair value of the options granted was approximately $2.6 million, which is expected to be recognized as stock-based compensation expense over approximately four years.
In March 2018 and on April 5, 2018 and April 27, 2018, the Company issued and sold an aggregate of 99,750,000 shares of Series F convertible preferred stock (the “Series F Preferred Stock”), at a price of $1.00 per share, for gross proceeds of $99.8 million. In connection with the issuance of the Series F Preferred Stock, the holders of the previously outstanding Preferred Stock agreed to remove their cumulative dividend rights and waive certain anti-dilution rights. The Company assessed whether this change to the previously outstanding shares of Series A, B, D, E and E-1 Preferred Stock was an extinguishment or modification. Based on qualitative analysis, there were no substantive changes in cash flows to the previously issued securities as a result of the additional issuance and therefore the change was accounted for as a modification. The Company does not expect this modification to have an impact on the Company’s financial statements.

The Series F preferred stock purchase agreement entered into in March 2018 provides for an additional closing with one investor for an additional 10,000,000 shares to be purchased at $1.00 per share within 30 days of the first closing. The Company determined that this future tranche obligation of the Series F preferred stock purchase agreement does not meet the definition of a freestanding financial instrument because, while separately exercisable, it is not legally detachable. Further, the Company determined that the embedded future tranche obligation will not require bifurcation for accounting purposes as it is clearly and closely related to the economic characteristics and risks of the initial preferred shares and would not meet the definition of a derivative on a standalone basis.

In March 2018, the Company increased the number of authorized shares of common stock from 161,162,923 shares to 290,000,000 shares and increased the number of authorized shares of preferred stock from 119,391,806 shares to 219,242,177 shares.

18. Subsequent events (unaudited)

2008 stock incentive plan

In April and May 2018, the Company granted options for the purchase of 5,041,883 shares of common stock at an exercise price of $0.73 per share under the 2008 Plan. The aggregate grant-date fair value of the options granted was $2.6 million, which is expected to be recognized as stock-based compensation expense over approximately four years.

Issuance and sale of series F convertible preferred stock

In April 2018, the Company issued and sold an aggregate of 31,250,000 shares of Series F Preferred Stock in two additional closings, at a price of $1.00 per share, for gross proceeds of $31.3 million.

F-40
Shares

Common Stock

Prospectus

J.P. Morgan        Jefferies        BMO Capital Markets
          Oppenheimer & Co.

, 2018

Until , 2018 (25 days after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the dealers’ obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.
Part II
Information not required in prospectus

Item 13. Other expenses of issuance and distribution.

The following table sets forth the expenses to be incurred in connection with the offering described in this Registration Statement, other than underwriting discounts and commissions, all of which will be paid by the Registrant. All amounts are estimates except the Securities and Exchange Commission, or SEC, registration fee, the Financial Industry Regulatory Authority, Inc. filing fee and the Nasdaq Global Market initial listing fee.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securities and Exchange Commission registration fee</td>
<td>$10,739</td>
</tr>
<tr>
<td>Financial Industry Regulatory Authority, Inc. filing fee</td>
<td>13,438</td>
</tr>
<tr>
<td>Nasdaq Global Market initial listing fee</td>
<td>*</td>
</tr>
<tr>
<td>Accountants' fees and expenses</td>
<td>*</td>
</tr>
<tr>
<td>Legal fees and expenses</td>
<td>*</td>
</tr>
<tr>
<td>Blue Sky fees and expenses</td>
<td>*</td>
</tr>
<tr>
<td>Transfer agent's fees and expenses</td>
<td>*</td>
</tr>
<tr>
<td>Printing and engraving expenses</td>
<td>*</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>*</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$ *</td>
</tr>
</tbody>
</table>

* To be filed by amendment.


Section 102 of the Delaware General Corporation Law, or the DGCL, permits a corporation to eliminate the personal liability of its directors or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his or her duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our certificate of incorporation that will be effective upon the closing of this offering provides that no director shall be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability, except to the extent that the DGCL prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty.

Section 145 of the DGCL provides that a corporation has the power to indemnify a director, officer, employee or agent of the corporation and certain other persons serving at the request of the corporation in related capacities against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlements actually and reasonably incurred by the person in connection with an action, suit or proceeding to which he or she is or is threatened to be made a party by reason of such position, if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which the Court of Chancery or such other court shall deem proper.
Our certificate of incorporation that will be effective upon the closing of the offering provides that we will indemnify each person who was or
is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal,
administrative or investigatory (other than an action by or in the right of us), by reason of the fact that he or she is or was, or has agreed to
become, our director or officer, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or
trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (all such persons being
referred to as an Indemnitee), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses
(including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such
action, suit or proceeding and any appeal therefrom if such Indemnitee acted in good faith and in a manner he or she reasonably believed
to be in, or not opposed to, our best interests, and, with respect to any criminal action or proceeding, he or she had no reasonable cause
to believe his or her conduct was unlawful.

Our certificate of incorporation that will be effective upon the closing of the offering also provides that we will indemnify any Indemnitee
who was or is a party to an action or suit by or in the right of us to procure a judgment in our favor by reason of the fact that the Indemnitee
is or was, or has agreed to become, our director or officer, or is or was serving, or has agreed to serve, at our request as a director, officer,
partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise, or by
reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys’ fees) and, to the
extent permitted by law, amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding,
and any appeal therefrom, if the Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to,
our best interests, except that no indemnification shall be made with respect to any claim, issue or matter as to which such person shall
have been adjudged to be liable to us, unless a court determines that, despite such adjudication but in view of all of the circumstances, he
or she is entitled to indemnification of such expenses. Notwithstanding the foregoing, to the extent that any Indemnitee has been
successful, on the merits or otherwise, he or she will be indemnified by us against all expenses (including attorneys’ fees) actually and
reasonably incurred by him or her or on his or her behalf in connection therewith. If we do not assume the defense, expenses must be
advanced to an Indemnitee under certain circumstances.

In addition, we intend to enter into indemnification agreements with all of our executive officers and directors prior to the completion of this
offering. In general, these agreements provide that we will indemnify the executive officer or director to the fullest extent permitted by law
for claims arising in his or her capacity as an executive officer or director of our company or in connection with his or her service at our
request for another corporation or entity. The indemnification agreements also provide for procedures that will apply in the event that an
executive officer or director makes a claim for indemnification and establish certain presumptions that are favorable to the executive officer
or director.

We maintain a general liability insurance policy that covers certain liabilities of our directors and officers arising out of claims based on acts
or omissions in their capacities as directors or officers.

The underwriting agreement we will enter into in connection with the offering of common stock being registered hereby provides that the
underwriters will indemnify, under certain conditions, our directors and officers (as well as certain other persons) against certain liabilities
arising in connection with such offering.

Insofar as the foregoing provisions permit indemnification of directors, executive officers or persons controlling us for liability arising under
the Securities Act of 1933, as amended, or the Securities Act, we have been informed that, in the opinion of the SEC, such indemnification
is against public policy as expressed in the Securities Act and is therefore unenforceable.
Item 15. Recent sales of unregistered securities.

Set forth below is information regarding shares of our common stock, shares of our preferred stock, warrants to purchase shares of our preferred stock and stock options granted by us within the past three years that were not registered under the Securities Act. Also included is the consideration, if any, received by us for such shares and options and information relating to the section of the Securities Act, or rule of the SEC, under which exemption from registration was claimed.

(a) Issuances of preferred stock

On December 1, 2015, we issued and sold 24,810,759 shares of our Series E preferred stock to 22 investors at a price per share of $2.25 in cash, for an aggregate purchase price of $55.8 million.

On July 20, 2016, we issued 8,888 shares of our Series A preferred stock to one investor in a cashless exercise of a warrant to purchase Series A preferred stock.

On September 13, 2016, we issued and sold 13,884,691 shares of our Series E-1 preferred stock to 17 investors at a price per share of $1.75 in cash, for an aggregate purchase price of $24.3 million. On July 25, 2017, we issued and sold 13,846,174 shares of our Series E-1 preferred stock to 17 investors at a price per share of $1.75 in cash, for an aggregate purchase price of $24.2 million.

On March 22, 2018, we issued and sold 68,500,000 shares of our Series F preferred stock to 24 investors at a price per share of $1.00 in cash, for an aggregate purchase price of $68.5 million. On April 5, 2018, we issued and sold 30,500,000 shares of our Series F preferred stock to 12 investors at a price per share of $1.00 in cash, for an aggregate purchase price of $30.5 million. On April 27, 2018, we issued and sold 750,000 shares of our Series F preferred stock to one investor at a price per share of $1.00 in cash, for an aggregate purchase price of $0.8 million.

No underwriters were involved in the foregoing issuances of securities. The securities described in this section (a) of Item 15 were issued to investors in reliance upon the exemption from the registration requirements of the Securities Act, as set forth in Section 4(a)(2) under the Securities Act and, in certain cases, Regulation D thereunder, relative to transactions by an issuer not involving any public offering, to the extent an exemption from such registration was required. All purchasers received written disclosures that the securities had not been registered under the Securities Act and that any resale must be made pursuant to a registration statement or an available exemption from such registration.

(b) Stock option grants and exercises

Between June 22, 2015 and June 22, 2018, we granted options to purchase an aggregate of 33,908,288 shares of common stock, with exercise prices ranging from $0.50 to $0.73 per share, to our employees, directors, advisors and consultants pursuant to our 2008 Stock Incentive Plan. Between June 22, 2015 and June 22, 2018, we issued 1,895,227 shares of our common stock upon the exercise of stock options outstanding under our 2008 Stock Incentive Plan for aggregate consideration of $462,911.

The stock options and the shares of common stock issued upon the exercise of stock options described in this section (b) of Item 15 were issued pursuant to written compensatory plans or arrangements with our employees, directors, advisors and consultants, in reliance on the exemption provided by Rule 701 promulgated under the Securities Act, or pursuant to Section 4(a)(2) under the Securities Act, relative to transactions by an issuer not involving any public offering, to the extent an exemption from such registration was required. All recipients either received adequate information about our company or had access, through employment or other relationships, to such information.
## Item 16. Exhibits and financial statement schedules.

### (a) Exhibits

<table>
<thead>
<tr>
<th>Exhibit Number</th>
<th>Description of Exhibit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1*</td>
<td>Form of Underwriting Agreement</td>
</tr>
<tr>
<td>3.1</td>
<td>Amended and Restated Certificate of Incorporation of the Registrant</td>
</tr>
<tr>
<td>3.2</td>
<td>By-laws of the Registrant</td>
</tr>
<tr>
<td>3.3</td>
<td>Form of Restated Certificate of Incorporation of the Registrant (to be effective upon the closing of this offering)</td>
</tr>
<tr>
<td>3.4</td>
<td>Form of Amended and Restated Bylaws of the Registrant (to be effective upon the closing of this offering)</td>
</tr>
<tr>
<td>4.1*</td>
<td>Specimen Stock Certificate evidencing the shares of common stock</td>
</tr>
<tr>
<td>5.1*</td>
<td>Opinion of Wilmer Cutler Pickering Hale and Dorr LLP</td>
</tr>
<tr>
<td>10.1</td>
<td>Fifth Amended and Restated Investor Rights Agreement, dated as of March 22, 2018, by and among the Registrant and the other parties thereto, as amended</td>
</tr>
<tr>
<td>10.2</td>
<td>Amended and Restated 2008 Stock Incentive Plan</td>
</tr>
<tr>
<td>10.3</td>
<td>Form of Incentive Stock Option Agreement under the Amended and Restated 2008 Stock Incentive Plan</td>
</tr>
<tr>
<td>10.4</td>
<td>Form of Nonstatutory Stock Option Agreement under the Amended and Restated 2008 Stock Incentive Plan</td>
</tr>
<tr>
<td>10.5</td>
<td>2018 Equity Incentive Plan</td>
</tr>
<tr>
<td>10.6</td>
<td>Form of Stock Option Agreement under the 2018 Equity Incentive Plan</td>
</tr>
<tr>
<td>10.7</td>
<td>2018 Employee Stock Purchase Plan</td>
</tr>
<tr>
<td>10.8</td>
<td>Summary of Non-Employee Director Compensation Program</td>
</tr>
<tr>
<td>10.9†</td>
<td>License and Collaboration Agreement, dated as of January 9, 2012, by and among Genentech, Inc., F. Hoffman-La Roche Ltd. and the Registrant</td>
</tr>
<tr>
<td>10.10†</td>
<td>Research, Development and Commercialization Agreement, dated as of July 31, 2012, by and between the Registrant and The Leukemia &amp; Lymphoma Society, as amended</td>
</tr>
<tr>
<td>10.11</td>
<td>Loan and Security Agreement, dated as of April 26, 2016, by and among the Registrant, Oxford Finance LLC and Silicon Valley Bank</td>
</tr>
<tr>
<td>10.12</td>
<td>Warrant to purchase shares of Series B preferred stock issued on June 28, 2013 by the Registrant to Oxford Finance LLC</td>
</tr>
<tr>
<td>10.13</td>
<td>Warrant to purchase shares of Series B preferred stock issued on June 28, 2013 by the Registrant to Silicon Valley Bank</td>
</tr>
<tr>
<td>10.14</td>
<td>Warrant to purchase shares of Series B preferred stock issued on September 30, 2014 by the Registrant to Oxford Finance LLC</td>
</tr>
<tr>
<td>10.15</td>
<td>Warrant to purchase shares of Series B preferred stock issued on September 30, 2014 by the Registrant to Oxford Finance LLC</td>
</tr>
<tr>
<td>10.16</td>
<td>Form of Common Stock Purchase Warrant, dated May 24, 2011</td>
</tr>
</tbody>
</table>
Table of Contents

Exhibit Number | Description of Exhibit
--- | ---
10.17 | Lease Agreement, dated as of February 5, 2010, by and between the Registrant and ARE-MA Region No. 38 LLC, as amended
10.18 | Letter Agreement, dated March 13, 2017, by and between the Registrant and Jigar Raythatha
10.19 | Letter Agreement, dated August 30, 2017, by and between the Registrant and Emma Reeve
10.20 | Amended and Restated Letter Agreement to be entered into by and between the Registrant and Adrian Senderowicz, M.D.
10.21 | Amended and Restated Change in Control Severance Plan
10.22 | Consulting Agreement, dated as of May 2, 2017, by and between the Registrant and Oncology Drug Development, LLC
10.23 | Consulting Agreement, dated as of July 15, 2017, by and between the Registrant and Dr. James Audia
10.24 | Form of Indemnification Agreement between the Registrant and each of its Executive Officers and Directors
23.1 | Consent of Ernst & Young LLP, independent registered public accounting firm
23.2* | Consent of Wilmer Cutler Pickering Hale and Dorr LLP (included in Exhibit 5.1)
24.1 | Power of Attorney (included on signature page)

* To be filed by amendment.
† Confidential treatment requested as to portions of the exhibit. Confidential materials omitted and filed separately with the Securities and Exchange Commission.

(b) Financial Statement Schedules

No financial statement schedules are provided because the information called for is not required or is shown either in the financial statements or the related notes.

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 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 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.
(c) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, 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 of 1933, 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, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cambridge, Commonwealth of Massachusetts, on this 22nd day of June, 2018.

CONSTELLATION PHARMACEUTICALS, INC.

By: /s/ Jigar Raythatha
   Jigar Raythatha
   President and Chief Executive Officer

Signatures and power of attorney

We, the undersigned officers and directors of Constellation Pharmaceuticals, Inc., hereby severally constitute and appoint Jigar Raythatha and Emma Reeve, and each of them singly (with full power to each of them to act alone), our true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution in each of them for him or her and in his or her name, place and stead, and in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and any other registration statement for the same offering pursuant to Rule 462(b) under the Securities Act of 1933, and to file the same, with all 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 or necessary to be done in and about the premises, as full 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 any of them, 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, this Registration Statement has been signed by the following persons in the capacities held on the dates indicated.

<table>
<thead>
<tr>
<th>Signature</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>/s/ Jigar Raythatha</td>
<td>President and Chief Executive Officer, Director</td>
<td>June 22, 2018</td>
</tr>
<tr>
<td>Jigar Raythatha</td>
<td>(Principal Executive Officer)</td>
<td></td>
</tr>
<tr>
<td>/s/ Emma Reeve</td>
<td>Chief Financial Officer</td>
<td>June 22, 2018</td>
</tr>
<tr>
<td>Emma Reeve</td>
<td>(Principal Financial and Accounting Officer)</td>
<td></td>
</tr>
<tr>
<td>/s/ Mark A. Goldsmith</td>
<td>Chairman of the Board</td>
<td>June 22, 2018</td>
</tr>
<tr>
<td>Mark A. Goldsmith, M.D., Ph.D.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ James E. Audia</td>
<td>Director</td>
<td>June 22, 2018</td>
</tr>
<tr>
<td>James E. Audia, Ph.D.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Anthony Evin</td>
<td>Director</td>
<td>June 22, 2018</td>
</tr>
<tr>
<td>Anthony Evin, Ph.D.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Peter Svennilson</td>
<td>Director</td>
<td>June 22, 2018</td>
</tr>
<tr>
<td>Peter Svennilson</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Robert Tepper</td>
<td>Director</td>
<td>June 22, 2018</td>
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<tr>
<td>Robert Tepper, M.D.</td>
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AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
CONSTELLATION PHARMACEUTICALS, INC.

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

Constellation Pharmaceuticals, 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 Constellation Pharmaceuticals, Inc., and that this corporation was originally incorporated pursuant to the General Corporation Law on January 11, 2008 under the name EpiGenetiX, Inc. and its name was changed to Constellation Pharmaceuticals, Inc. pursuant to an amendment to the Certificate of Incorporation on March 31, 2008.

2. That the Board of Directors duly adopted resolutions proposing to amend and restate the Amended and Restated Certificate of Incorporation, as subsequently amended, 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 Amended and Restated Certificate of Incorporation, as subsequently amended, of this corporation be amended and restated in its entirety to read as follows (as so amended and restated, the “Certificate of Incorporation”):

FIRST: The name of this corporation is Constellation Pharmaceuticals, Inc. (the “Corporation”).

SECOND: The address of the registered office of the Corporation in the State of Delaware is Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle 19801. The name of its registered agent at such address is The Corporation Trust 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) 290,000,000 shares of Common Stock, $0.0001 par value per share (“Common Stock”) and (ii) 219,242,177 shares of Preferred Stock, $0.001 par value per share (“Preferred Stock”), of which 32,158,888 shares have been designated as Series A Convertible Preferred Stock (“Series A Preferred Stock”), 31,416,665 shares have been designated as Series B Convertible Preferred Stock (“Series B Preferred Stock”).
3,125,000 shares have been designated as Series D Convertible Preferred Stock ("Series D Preferred Stock"), 24,810,759 shares have been designated as Series E Convertible Preferred Stock ("Series E Preferred Stock"), 27,730,865 shares have been designated as Series E-1 Convertible Preferred Stock ("Series E-1 Preferred Stock"), and 100,000,000 shares have been designated as Series F Convertible Preferred Stock ("Series F Preferred Stock"). The Series A Preferred Stock, Series B Preferred Stock, the Series D Preferred Stock, the Series E Preferred Stock, the Series E-1 Preferred Stock, and the Series F Preferred Stock is collectively referred to as the "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

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. 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); provided, however, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to the Certificate of Incorporation that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Certificate of Incorporation or pursuant to the General Corporation Law. There shall be no cumulative voting. 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 the Certificate of Incorporation) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

B. PREFERRED STOCK

1. Dividends.

From and after the date of the issuance of any shares of Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock or Series F Preferred Stock, dividends on each share of such Preferred Stock shall accrue at the rate per annum of 8.0% of the sum of (i) the Series A Original Issue Price (as defined below), in the case of the Series A Preferred Stock, the Series B Original Issue Price (as defined below), in the case of the Series B Preferred Stock, the Series D Original Issue Price (as defined below), in the case of the Series D Preferred Stock, the Series E Original Issue Price (as defined below), in the case of the Series E Preferred Stock, the Series E-1 Original Issue Price (as defined below), in the case of the Series E-1 Preferred Stock, the Series F Original Issue Price (as defined below), in the case of the Series F Preferred Stock.
defined below), in the case of the Series E-1 Preferred Stock, and the Series F Original Issue Price (as defined below), in the case of the Series F Preferred Stock, plus (ii) all accumulated but unpaid dividends thereon (the “Accruing Dividends”). The Corporation shall not declare, pay or set aside any Accruing Dividends on any shares of the Series A Preferred Stock, Series B Preferred Stock, or Series D Preferred Stock unless the holders of the Series E Preferred Stock, Series E-1 Preferred Stock, and Series F Preferred Stock then outstanding shall first receive, or simultaneously receive, all Accruing Dividends then accrued on such outstanding shares of Series E Preferred Stock, Series E-1 Preferred Stock, and Series F Preferred Stock. Accruing Dividends shall be non-cumulative, and shall accrue from day to day, whether or not declared; provided however, that except as set forth in the following sentence of this Section 1, such Accruing Dividends shall be payable only when, as, and if declared by the Board of Directors and the Corporation shall be under no obligation to pay such Accruing Dividends. The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in the Certificate of Incorporation) the holders of the Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, and Series F Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, or Series F Preferred Stock in an amount at least equal to the greater of (i) the amount of the aggregate Accruing Dividends then accrued on such share of Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, or Series F Preferred Stock, as the case may be, and not previously paid and (ii) (A) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, or Series F Preferred Stock as would equal the product of (1) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (2) the number of shares of Common Stock issuable upon conversion of a share of Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, or Series F Preferred Stock, as the case may be, in each case calculated on the record date for determination of holders entitled to receive such dividend or (B) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, or Series F Preferred Stock, as the case may be, determined by (1) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (2) multiplying such fraction by an amount equal to the Series A Original Issue Price, in the case of the Series A Preferred Stock, the Series B Original Issue Price, in the case of the Series B Preferred Stock, the Series D Original Issue Price, in the case of the Series D Preferred Stock, the Series E Original Issue Price, in the case of the Series E Preferred Stock, the Series E-1 Original Price.
Issue Price, in the case of the Series E-1 Preferred Stock, and the Series F Original Issue Price, in the case of the Series F 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 Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, and Series F Preferred Stock, as the case may be, 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 Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, or Series F Preferred Stock, as the case may be, dividend. The “Series A Original Issue Price” shall mean $1.00 per share, the “Series B Original Issue Price” shall mean $1.20 per share, the “Series D Original Issue Price” shall mean $1.60 per share, the “Series E Original Issue Price” shall mean $2.25 per share, the “Series E-1 Original Issue Price” shall mean $1.75 per share, and the “Series F Original Issue Price” shall mean $1.00 per share, subject in each case to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such shares.

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, the holders of shares of Series E Preferred Stock, Series E-1 Preferred Stock, and Series F 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 shares of Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, or Common Stock by reason of their ownership thereof, an amount per share equal to the Series E Original Issue Price, the Series E-1 Original Issue Price, or the Series F Original Issue Price, as the case may be, plus any Accruing Dividends declared but unpaid thereon and/or any Accruing Dividends or other dividends required to be paid thereon pursuant to Section 1. If upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series E Preferred Stock, Series E-1 Preferred Stock, and Series F Preferred Stock the full amount to which they shall be entitled under this Subsection 2.1, the holders of shares of Series E Preferred Stock, Series E-1 Preferred Stock, and Series F 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. After the payment of any preferential amounts required to be paid to the holders of shares of Series E Preferred Stock, Series E-1 Preferred Stock, and Series F Preferred Stock pursuant to the first sentence of this Subsection 2.1, the holders of Series A Preferred Stock, Series B Preferred Stock and Series D 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 Series A Original Issue Price, Series B Original Issue Price or Series D Original Issue Price, as the case
may be, plus any Accruing Dividends declared but unpaid thereon and/or any Accruing Dividends or other dividends required to be paid thereon pursuant to Section 1. If upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, and Series F Preferred Stock the full amount to which they shall be entitled under this Subsection 2.1, then, after the payment of any preferential amounts required to be paid to the holders of shares of Series E Preferred Stock, Series E-1 Preferred Stock, and Series F Preferred Stock pursuant to the first sentence of this Subsection 2.1, the holders of shares of Series A Preferred Stock, Series B Preferred Stock and Series D Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.2 Distribution of Remaining Assets. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after the payment of all preferential amounts required to be paid to the holders of shares of Preferred Stock pursuant to Subsection 2.1, the remaining assets of the Corporation available for distribution to its stockholders shall be distributed among the holders of the shares of 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 at least (i) a majority of the outstanding shares of Series A Preferred Stock, Series B Preferred Stock and Series D Preferred Stock, voting together as a single class on an as-converted to Common Stock basis, and (ii) a majority of the outstanding shares of Series E Preferred Stock, Series E-1 Preferred Stock, and Series F Preferred Stock, voting together as a single class on an as-converted to Common Stock basis, elect otherwise by written notice sent to the Corporation at least five (5) business 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 (provided that, for the purpose of this Subsection 2.3.1, all shares of Common Stock issuable upon exercise of Options (as defined below) outstanding immediately prior to such merger or consolidation or upon conversion of Convertible Securities (as defined below) outstanding immediately prior to such merger or consolidation shall be deemed to be outstanding immediately prior to such merger or consolidation and, if applicable, converted or exchanged in such merger or consolidation on the same terms as the actual outstanding shares of Common Stock are converted or exchanged); 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 or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

2.3.2 Effecting a Deemed Liquidation Event.

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(i) unless the agreement or plan of merger or consolidation for such transaction (the “Merger Agreement”) provides that the consideration payable to the stockholders of the Corporation shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2.

(b) In the event of a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(i) or 2.3.1(b), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within ninety (90) calendar days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Preferred Stock no later than the ninetieth (90th) calendar day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause (ii) to require the redemption of such shares of Preferred Stock, and (ii) if the holders of at least a majority of the then outstanding shares of Preferred Stock so request in a written instrument delivered to the Corporation not later than 120 calendar 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 (the “Available Proceeds”), to the extent legally available therefor, on the 150th calendar day after such Deemed Liquidation Event, to redeem all outstanding shares of Preferred Stock at a price per share equal to the Series A Liquidation Amount, Series B Liquidation Amount, Series D Liquidation Amount, Series E Liquidation Amount, Series E-1 Liquidation Amount, or Series F Liquidation Amount, as the case may be. 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 redeem (i) a pro rata
portion of each holder’s shares of Series E Preferred Stock, Series E-1 Preferred Stock, and Series F Preferred Stock to the fullest extent of such Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares of Series E Preferred Stock, Series E-1 Preferred Stock, and Series F Preferred Stock to be redeemed if the Available Proceeds were sufficient to redeem all such shares, and shall redeem the remaining shares of Series E Preferred Stock, Series E-1 Preferred Stock, and Series F Preferred Stock to have been redeemed as soon as practicable after the Corporation has funds legally available therefor, and (ii) after redemption of all then outstanding shares of Series E Preferred Stock, Series E-1 Preferred Stock, and Series F Preferred Stock pursuant to clause (i), a pro rata portion of each holder’s shares of Series A Preferred Stock, Series B Preferred Stock and Series D Preferred Stock to the fullest extent of such Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares of Series A Preferred Stock, Series B Preferred Stock and Series D Preferred Stock to be redeemed if the Available Proceeds were sufficient to redeem all such shares, and shall redeem the remaining shares of Series A Preferred Stock, Series B Preferred Stock and Series D Preferred Stock to have been redeemed as soon as practicable after the Corporation has funds legally available therefor. Prior to the distribution or redemption provided for in this Subsection 2.3.2(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to discharge expenses incurred in connection with such Deemed Liquidation Event.

2.3.3 Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the holders of capital stock of the Corporation upon any such merger, consolidation, sale, transfer, exclusive license, other disposition or redemption shall be the cash or the value of the property, rights or securities paid or distributed to such holders by the Corporation or the acquiring person, firm or other entity. The value of such property, rights or securities shall be determined in good faith by the Board of Directors of the Corporation.

2.3.4 Allocation of Escrow. 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 placed into escrow and/or is payable to the stockholders of the Corporation subject to contingencies, the Merger Agreement shall provide that (a) the portion of such consideration that is not placed in escrow and not subject to any contingencies (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 release from escrow or satisfaction of 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.

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 Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, and Series F 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 Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, and Series F 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 Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, and Series F 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 three directors of the Corporation (the “Series A Directors”). Any director elected as provided in the preceding sentence may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. If the holders of shares of Series A Preferred Stock fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, voting exclusively and as a separate class, pursuant to the first sentence of this Subsection 3.2, then any directorship not so filled shall remain vacant until such time as the holders of the Series A Preferred Stock 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 Series F Preferred Stock, exclusively and as a separate class, shall be entitled to elect one director of the Corporation (the “Series F Director”) for election, subject to approval by the Board of Directors. Any director elected as provided in the preceding sentence may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. If the holders of shares of Series F Preferred Stock 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 with the consent of the Board of Directors, pursuant to the first sentence of this Subsection 3.2, then any directorship not so filled shall remain vacant until such time as the holders of the Series F Preferred Stock and members of the Board of Directors elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship, voting exclusively and as a separate class. The holders of record of the shares of Common Stock and of any other class or series of voting stock (including the Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, and Series F Preferred Stock), exclusively and voting together as a single class on an as-converted to Common Stock basis.
basis, 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 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 1,000,000 shares of Series A Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock), and the rights of the holders of the Series F Preferred Stock under the fourth sentence of this Subsection 3.2 shall terminate on the first date following the Series F Original Issue Date (as defined below) on which there are issued and outstanding less than 1,000,000 shares of Series F 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 F Preferred Stock).

3.3 Preferred Stock Protective Provisions.

3.3.1 At any time when at least 1,000,000 shares of Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, or Series F Preferred Stock, as the case may be) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the holders of at least a majority of the then outstanding shares of Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) together as a single class on an as-converted to Common Stock basis:

(a) liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any Deemed Liquidation Event, or consent to any of the foregoing;

(b) amend, alter or repeal any provision of the Certificate of Incorporation or Bylaws of the Corporation;

(c) (i) 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 the Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, and Series F 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, (ii) increase the authorized number of shares of Preferred Stock, or (iii) 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, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, and Series F 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;

(d) (i) reclassify, alter or amend any existing security of the Corporation that is pari passu with the Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, or Series F 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, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, or Series F 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, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, and Series F 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, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, or Series F Preferred Stock in respect of any such right, preference or privilege;

(e) 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, repurchases or conversions of or dividends or distributions as expressly authorized herein, (ii) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock, (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 or (iv) repurchases in connection with contractual rights of first refusal;

(f) merge with or into or consolidate with any other entity; or

(g) increase or decrease the authorized number of directors constituting the Board of Directors.

3.3.2 At any time when at least 1,000,000 shares of Series A Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the approval of the Board of Directors, including a majority of the Series A Directors:

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(a) enter into any lines of business that are not primarily related to the business of the Corporation as conducted as of the date of this Agreement;
(b) grant an exclusive license to any of the Corporation’s material intellectual property rights;
(c) acquire, directly or indirectly properties, assets or stock of any other company or entity (except for consideration which represents less than $50,000);
(d) incur any indebtedness in excess of $100,000 in the aggregate;
(e) approve the annual operating budget and/or make any capital expenditures in any fiscal quarter (including expenditures for capitalized leases and capital expenditures by Corporation Subsidiaries) in excess of those provided for with respect to such fiscal quarter in the budget duly adopted by the Board of Directors;
(f) issue any equity securities or bonds, debentures, notes options or warrants exercisable for or convertible into equity securities other than options or restricted stock or other securities issued to employees, consultants, or directors in accordance with plans approved by the Board of Directors of the Corporation and by a majority of the Series A Directors;
(g) acquire or dispose of third-party equity interests, bonds, debentures or any options or warrants to purchase third-party equity interests;
(h) make any loan or advance to any person or entity, except (A) advances and similar expenditures made to employees in the ordinary course of business not in excess of $5,000 and (B) trade credits given in the ordinary course of business at any time not exceeding $50,000 outstanding in the aggregate to any such person or entity or $250,000 outstanding in the aggregate to all such people and entities;
(i) create or amend any agreement involving expenditures, commitments or activities outside the ordinary course;
(j) enter into, agree to enter into, execute or amend any transaction with a value in excess of $100,000 with any officer, director or affiliate of the Corporation (as such term is defined in the regulations under the Securities Act of 1933, as amended);
(k) encumber all or substantially all of the Corporation’s property; or
(l) enter into, agree to enter into, execute or amend any service contract with any director or employee with an annual value in excess of $100,000.
3.3.3 The Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the holders of at least a majority of the then outstanding shares of Series E Preferred Stock, given in writing or by vote at a meeting:

(a) amend, alter or repeal any provision of the Certificate of Incorporation or Bylaws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Series E Preferred Stock; provided that the creation, authorization or issuance of any additional class or series of capital stock shall not, in and of itself, be deemed to adversely affect the powers, preferences or rights of the Series E Preferred Stock;

(b) 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, repurchases or conversions of or dividends or distributions as expressly authorized herein, (ii) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock, (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, (iv) repurchases in connection with contractual rights of first refusal, or (v) repurchases or redemptions made contemporaneously with, or following, the redemption or repurchase of all then outstanding shares of Series E Preferred Stock; or

(c) increase or decrease the authorized number of shares of Series E Preferred Stock.

3.3.4 The Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the holders of at least a majority of the then outstanding shares of Series E-1 Preferred Stock, given in writing or by vote at a meeting:

(a) amend, alter or repeal any provision of the Certificate of Incorporation or Bylaws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Series E-1 Preferred Stock; provided that the creation, authorization or issuance of any additional class or series of capital stock shall not, in and of itself, be deemed to adversely affect the powers, preferences or rights of the Series E-1 Preferred Stock;

(b) 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, repurchases or conversions of or dividends or distributions as expressly authorized herein, (ii) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock, (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, (iv) repurchases in connection with contractual rights of first refusal, or (v) repurchases or redemptions made contemporaneously with, or following, the redemption or repurchase of all then outstanding shares of Series E-1 Preferred Stock; or
3.3.5 The Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the holders of at least a majority of the then outstanding shares of Series F Preferred Stock, given in writing or by vote at a meeting:

(a) amend, alter or repeal any provision of the Certificate of Incorporation or Bylaws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Series F Preferred Stock; provided that the creation, authorization or issuance of any additional class or series of capital stock shall not, in and of itself, be deemed to adversely affect the powers, preferences or rights of the Series F Preferred Stock;

(b) 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, repurchases or conversions of or dividends or distributions as expressly authorized herein, (ii) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock, (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, (iv) repurchases in connection with contractual rights of first refusal, or (v) repurchases or redemptions made contemporaneously with, or following, the redemption or repurchase of all then outstanding shares of Series F Preferred Stock; or

(c) increase or decrease the authorized number of shares of Series F Preferred Stock.

4. Optional Conversion.

The holders of Preferred Stock shall have conversion rights as follows (the “Conversion Rights”):

4.1 Right to Convert.

4.1.1 Conversion Ratio.

(a) Each share of Series A 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 nonassessable shares of Common Stock as is determined by dividing the Series A Original Issue Price by the
Series A Conversion Price (as defined below) in effect at the time of conversion. The “Series A Conversion Price” shall initially be equal to $1.00. Such initial Series A Conversion Price, and the rate at which shares of Series A Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

(b) Each share of Series B 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 nonassessable shares of Common Stock as is determined by dividing the Series B Original Issue Price by the Series B Conversion Price (as defined below) in effect at the time of conversion. The “Series B Conversion Price” shall initially be equal to $1.20. Such initial Series B Conversion Price, and the rate at which shares of Series B Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

(c) Each share of Series D 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 nonassessable shares of Common Stock as is determined by dividing the Series D Original Issue Price by the Series D Conversion Price (as defined below) in effect at the time of conversion. The “Series D Conversion Price” shall initially be equal to $1.60. Such initial Series D Conversion Price, and the rate at which shares of Series D Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

(d) Each share of Series E 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 nonassessable shares of Common Stock as is determined by dividing the Series E Original Issue Price by the Series E Conversion Price (as defined below) in effect at the time of conversion. The “Series E Conversion Price” shall initially be equal to $1.75. Such initial Series E Conversion Price, and the rate at which shares of Series E Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

(e) Each share of Series E-1 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 nonassessable shares of Common Stock as is determined by dividing the Series E-1 Original Issue Price by the Series E-1 Conversion Price (as defined below) in effect at the time of conversion. The “Series E-1 Conversion Price” shall initially be equal to $1.75. Such initial Series E-1 Conversion Price, and the rate at which shares of Series E-1 Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

(f) Each share of Series F 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 nonassessable shares of Common Stock as is determined by dividing the Series F Original Issue Price by the
Series F Conversion Price (as defined below) in effect at the time of conversion. The “Series F Conversion Price” shall initially be equal to $1.00. Such initial Series F Conversion Price, and the rate at which shares of Series F 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 Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, or Series F Preferred Stock, as the case may be.

4.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, or Series F 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 Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, and Series F 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 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), together with written notice that such holder elects to convert all or any number of the shares of the Preferred Stock represented by such certificate or certificates and, if applicable, any event on which such conversion is contingent. Such notice shall state such holder’s name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. If required by the Corporation, 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 certificates (or lost certificate affidavit and agreement) and notice shall be the time of conversion (the “Conversion Date”).
Time”), and the shares of Common Stock issuable upon conversion of the shares represented by such certificate 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 any Accruing Dividends declared but unpaid and/or any Accruing Dividends or other dividends required to be paid pursuant to Section 1 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 Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, or Series F Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, or Series F Preferred Stock, as the case may be, 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 nonassessable shares of Common Stock at such adjusted Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, or Series F Conversion Price, as the case may be.

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 Accruing Dividends declared but unpaid thereon and/or any Accruing Dividends or other dividends required to be paid thereon pursuant to Section 1. 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 Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, or Series F Conversion Price, as the case may be, shall be made for dividends on the Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Conversion Price, Series E-1 Conversion Price, or Series F Conversion Price, as the case may be, 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 Conversion Prices 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) “**Series F Original Issue Date**” shall mean the date on which the Corporation first issued shares of Series F Preferred Stock pursuant to the Series F Purchase Agreement.

(d) “**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.

(e) “**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 on or after the Series F 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 Series F Preferred Stock issued pursuant to the terms of the Series F Purchase Agreement;

(ii) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on Preferred Stock on a pro rata, as converted to Common Stock, basis; or

(iii) 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; or

(iv) 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 of the Corporation, including a majority of the Series A Directors and the Series F Director (together with the Series A Directors, the "Preferred Directors");

(v) 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; or

(vi) 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 a majority of the Preferred Directors; or

(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 a majority of the Preferred Directors; or

(viii) shares of Common Stock, Options or Convertible Securities issued in connection with a present or future sponsored research, collaboration, technology license, development or other similar agreements or strategic partnerships approved by the Board of Directors of the Corporation, including a majority of the Preferred Directors.

4.4.2 No Adjustment of Conversion Prices. No adjustment in the Series A Conversion Price, Series B Conversion Price or Series D Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of at least a majority of the then outstanding shares of Series A Preferred Stock, Series B Preferred Stock and Series D Preferred Stock, voting together as a single class on an as-converted to Common Stock basis, agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such
Additional Shares of Common Stock. No adjustment in the Series E Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of at least a majority of the then outstanding shares of Series E Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock. No adjustment in the Series E-1 Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of at least a majority of the then outstanding shares of Series E-1 Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock. No adjustment in the Series F Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of at least a majority of the then outstanding shares of Series F Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

4.4.3 Deemed Issue of Additional Shares of Common Stock

(a) If the Corporation at any time or from time to time on or after the Series F 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 Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, or Series F 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 Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, or Series F Conversion Price, as the case may be, 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 Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, or Series F Conversion Price, as the case may be, as would have been 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 Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, or Series F Conversion Price, as the case may be, 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 Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, or Series F Conversion Price pursuant to the terms of Subsection 4.4.4 (either because the consideration per share (determined pursuant to Subsection 4.4.5) of the Additional Shares of Common Stock subject thereto was equal to or greater than the Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, or Series F Conversion Price, as the case may be, then in effect, or because such Option or Convertible Security was issued before the Series F Original Issue Date), are revised on or after the Series F Original Issue Date, as the case may be, 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 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 Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1
Conversion Price, or Series F Conversion Price pursuant to the terms of Subsection 4.4.4, the Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, or Series F Conversion Price, as the case may be, shall be readjusted to such Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, or Series F Conversion Price, as the case may be, 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 Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, or Series F 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 Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, or Series F Conversion Price that would result under the terms of this Subsection 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, or Series F Conversion Price, as the case may be, that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 Adjustment of Conversion Prices Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall at any time on or after the Series F 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 Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, or Series F Conversion Price, as the case may be, in effect immediately prior to such issue, then the Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, or Series F Conversion Price, as the case may be, 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:

\[ \text{CP}_2 = \frac{\text{CP}_1 \times (A + B)}{(A + C)} \]

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For purposes of the foregoing formula, the following definitions shall apply:

(a) “CP₂” shall mean the Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, or Series F Conversion Price, as the case may be, in effect immediately after such issue of Additional Shares of Common Stock;

(b) “CP₁” shall mean the Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, or Series F Conversion Price in effect immediately prior to such issue of Additional Shares of Common Stock;

(c) “A” shall mean the number of shares of Common Stock outstanding immediately prior to such issue of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, and Series F Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);

(d) “B” shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued at a price per share equal to CP₁ (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP₁); and

(e) “C” shall mean the number of such Additional Shares of Common Stock issued in such transaction.

4.4.5 Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, or Series F Conversion Price pursuant to the terms of Subsection 4.4.4, and such issuance dates occur within a period of no more than ninety (90) calendar days from the first such issuance to the final such issuance, then, upon the final such issuance, the Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, or Series F Conversion Price, as the case may be, 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 on or after the Series F Original Issue Date effect a subdivision of the outstanding Common Stock, the Series A Conversion Price, Series B Conversion Price,
Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, and Series F 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 on or after the Series F Original Issue Date combine the outstanding shares of Common Stock, the Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, and Series F Conversion Price 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 on or after the Series F 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 Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, and Series F 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 each of the Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, and Series F Conversion Price then in effect by a fraction:

\[
\text{(1)} \quad \frac{1}{\text{the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and}}
\]

\[
\text{(2)} \quad \frac{1}{\text{the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.}}
\]

Notwithstanding the foregoing, (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, and Series F Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price, and Series F 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 with respect to the Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion
4.7 **Adjustments for Other Dividends and Distributions.** In the event the Corporation at any time or from time to time on or after the Series F 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 4 do not apply to such dividend or distribution, then and in each such event the holders of Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, and Series F 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 Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, and Series F 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 Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock or Series F 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 Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock or Series F Preferred Stock, as the case may be, 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 Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock or Series F Preferred Stock, as the case may be, 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 Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, Series F Preferred Stock, Series E-1 Preferred Stock, Series E-2 Preferred Stock, Series E-3 Preferred Stock, Series E-4 Preferred Stock, and Series E-5 Preferred Stock.
Preferred Stock or Series F Preferred Stock, as the case may be, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price or Series F Conversion Price) 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 Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock or Series F Preferred Stock.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price or Series F Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than ten (10) business days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, and/or Series F Preferred Stock, as the case may be, a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock or Series F Preferred Stock, as the case may be, 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 Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock or Series F Preferred Stock (but in any event not later than 10 days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the Series A Conversion Price, Series B Conversion Price, Series D Conversion Price, Series E Conversion Price, Series E-1 Conversion Price or Series F Conversion Price, as the case may be, 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 Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock or Series F Preferred Stock, as the case may be.

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 Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock or Series F 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 Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock or Series F Preferred Stock, as the case may be, a notice specifying (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 Series A Preferred Stock, Series B Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock or Series F Preferred Stock, as the case may be) 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 Series A Preferred Stock, the Series B Preferred Stock, the Series D Preferred Stock, the Series E Preferred Stock, the Series E-1 Preferred Stock or the Series F Preferred Stock, as the case may be, and the Common Stock. Such notice shall be sent at least ten (10) business days prior to the record date or effective date for the event specified in such notice.

5. Mandatory Conversion.

5.1 Trigger Events. Upon either (a) the closing of the sale of shares of Common Stock to the public at a price of at least $1.00 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Common Stock), in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least $35 million 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 holders of at least a majority of the then outstanding shares of Preferred Stock, voting together as a single class on an as-converted to Common Stock basis (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”), (i) all outstanding shares of Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock and Series F Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate and (ii) such shares may not be reissued by the Corporation.

5.2 Procedural Requirements. All holders of record of shares of Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock and Series F Preferred Stock shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such
shares of Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock and Series F Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock and/or Series F Preferred Stock 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, 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 Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock and Series F Preferred Stock converted pursuant to Section 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 the certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of their certificate or certificates (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 the surrender of the certificate or certificates (or lost certificate affidavit and agreement) for Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock and Series F Preferred Stock, the Corporation shall 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, together with 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 Accruing Dividends declared but unpaid thereon and/or any Accruing Dividends or other dividends required to be paid thereon pursuant to Section 1. Such converted Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock and Series F 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 Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock, and/or Series F Preferred Stock, as the case may be, accordingly.

6. Acquired Shares. Any shares of Preferred Stock that are 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 acquisition by the Corporation.
7. Waiver. Any of the rights, powers, preferences and other terms of the Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock and Series F Preferred Stock set forth herein may be waived on behalf of all holders of Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock and Series F Preferred Stock by the affirmative written consent or vote of the holders of at least a majority of the shares of Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock and Series F Preferred Stock then outstanding, considered as a single class on an as-converted to Common Stock basis, provided such waiver by its terms is equally applicable to the holders of Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock and Series F Preferred Stock. Except as otherwise set forth in this Certificate of Incorporation, any of the rights of the holders of Series A Preferred Stock set forth herein may be waived (in a manner that does not apply to the holders of the Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock and Series F Preferred Stock) by the affirmative consent or vote of the holders of at least 60% of the shares of Series A Preferred Stock then outstanding. Except as otherwise set forth in this Certificate of Incorporation, any of the rights of the holders of Series B Preferred Stock set forth herein may be waived (in a manner that does not apply to the holders of the Series A Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock and Series F Preferred Stock) by the affirmative consent or vote of the holders of at least 60% of the shares of Series B Preferred Stock then outstanding. Except as otherwise set forth in this Certificate of Incorporation, any of the rights of the holders of Series D Preferred Stock set forth herein may be waived (in a manner that does not apply to the holders of the Series A Preferred Stock, Series B Preferred Stock, Series E Preferred Stock, Series E-1 Preferred Stock and Series F Preferred Stock) by the affirmative consent or vote of the holders of at least 60% of the shares of Series D Preferred Stock then outstanding. Except as otherwise set forth in this Certificate of Incorporation, any of the rights of the holders of Series E Preferred Stock set forth herein may be waived (in a manner that does not apply to the holders of the Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E-1 Preferred Stock and Series F Preferred Stock) by the affirmative consent or vote of the holders of at least 60% of the shares of Series E Preferred Stock then outstanding. Except as otherwise set forth in this Certificate of Incorporation, any of the rights of the holders of Series E-1 Preferred Stock set forth herein may be waived (in a manner that does not apply to the holders of the Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock and Series E-1 Preferred Stock) by the affirmative consent or vote of the holders of at least 60% of the shares of Series E-1 Preferred Stock then outstanding. Except as otherwise set forth in this Certificate of Incorporation, any of the rights of the holders of Series F Preferred Stock set forth herein may be waived (in a manner that does not apply to the holders of the Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock, Series E Preferred Stock and Series E-1 Preferred Stock) by the affirmative consent or vote of the holders of at least a majority of the shares of Series F Preferred Stock then outstanding.
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 the Certificate of Incorporation or Bylaws, 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 the Certificate of Incorporation, the number of directors of the Corporation shall be determined in the manner set forth in the Bylaws of the Corporation.

**SEVENTH:** Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

**EIGHTH:** Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board 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) calendar 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 attorney’s 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 attorney’s 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 the certificate of incorporation, these by-laws, agreement, 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.

10. **Renunciation of Corporate Opportunity.** The Corporation renounces to the fullest extent permitted by law any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An “Excluded Opportunity” is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, “Covered Persons”), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person’s capacity as a director of the Corporation while such Covered Person is performing services in such capacity. Any repeal or modification of this Section 10 will only be prospective and will not affect the rights under this Section 10 in effect at the time of the occurrence of any actions or omissions to act giving rise to liability.
11. **Forum Selection.** 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 Section 11 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 11 (including, without limitation, each portion of any sentence of this Section 11 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 Amended and Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of this corporation’s Certificate of Incorporation, has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law.

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IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this 22nd day of March, 2018.

By: /s/ Jigar Raythatha
Name: Jigar Raythatha
Title: President and Chief Executive Officer
BY-LAWS

OF

Constellation Pharmaceuticals, Inc.
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STOCKHOLDERS

1.1 Place of Meetings. All meetings of stockholders shall be held at such place as may be designated from time to time by the Board of Directors, the Chairman of the Board, the Chief Executive Officer or the President or, if not so designated, at the principal office of the corporation. The Board of Directors may, in its sole discretion, determine that a meeting shall not be held at any place, but may instead be held solely by means of remote communication in a manner consistent with the General Corporation Law of the State of Delaware.

1.2 Annual Meeting. The annual meeting of stockholders for the election of directors and for the transaction of such other business as may properly be brought before the meeting shall be held on a date and at a time designated by the Board of Directors, the Chairman of the Board, the Chief Executive Officer or the President (which date shall not be a legal holiday in the place where the meeting is to be held).

1.3 Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by only the Board of Directors, the Chairman of the Board, the Chief Executive Officer or the President, and may not be called by any other person or persons. The Board of Directors may postpone or reschedule any previously scheduled special meeting of stockholders. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting.

1.4 Notice of Meetings. Except as otherwise provided by law, notice of each meeting of stockholders, whether annual or special, 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. Without limiting the manner by which notice otherwise may be given to stockholders, any notice shall be effective if given by a form of electronic transmission consented to (in a manner consistent with the General Corporation Law of the State of Delaware) by the stockholder to whom the notice is given. The notices of all meetings shall state the place, if any, date and time 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 such meeting. The notice of a special meeting shall state, in addition, the purpose or purposes for which the meeting is called. If notice is given by mail, such notice shall be 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 notice is given by electronic transmission, such notice shall be deemed given at the time specified in Section 232 of the General Corporation Law of the State of Delaware.

1.5 Voting List. The Secretary shall prepare, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and 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, for a period of at least 10 days prior 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. If the meeting is to be held at a physical location (and not solely by means of remote communication), then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. The list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

1.6 Quorum. Except as otherwise provided by law, the Certificate of Incorporation or these By-laws, the holders of a majority in voting power of the shares of the capital stock of the corporation issued and outstanding and entitled to vote at the meeting, present in person, present by means of remote communication in a manner, if any, authorized by the Board of Directors in its sole discretion, or represented by proxy, shall constitute a quorum for the transaction of business; provided, however, that where a separate vote by a class or classes or series of capital stock is required by law or the Certificate of Incorporation, the holders of a majority in voting power of the shares of such class or classes or series of the capital stock of the corporation issued and outstanding and entitled to vote on such matter, present in person, present by means of remote communication in a manner, if any, authorized by the Board of Directors in its sole discretion, or represented by proxy, shall constitute a quorum entitled to take action with respect to the vote on such matter. A quorum, once established at a meeting, shall not be broken by the withdrawal of enough votes to leave less than a quorum.

1.7 Adjournments. Any meeting of stockholders may be adjourned from time to time to any other time and to any other place at which a meeting of stockholders may be held under these By-laws by the chairman of the meeting or by the stockholders present or represented at the meeting and entitled to vote, although less than a quorum. It shall not be necessary to notify any stockholder of any adjournment of less than 30 days if the time and place, if any, of the adjourned meeting, and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting, are announced at the meeting at which adjournment is taken, unless after the adjournment a new record date is fixed for the adjourned meeting. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting.

1.8 Voting and Proxies. Each stockholder shall have one vote for each share of stock entitled to vote held of record by such stockholder and a proportionate vote for each fractional share so held, unless otherwise provided by law or the Certificate of Incorporation. Each stockholder of record entitled to vote at a meeting of stockholders, or to express consent or dissent to corporate action without a meeting, may vote or express such consent or dissent in person (including by means of remote communications, if any, by which stockholders may be deemed to be present in person and vote at such meeting) or may authorize another person or persons to vote or act for such stockholder by a proxy executed or transmitted in a manner permitted by the General Corporation Law of the State of Delaware by the stockholder or such stockholder’s authorized agent and delivered (including by electronic transmission) to the Secretary of the corporation. No such proxy shall be voted or acted upon after three years from the date of its execution, unless the proxy expressly provides for a longer period.
1.9 Action at Meeting. When a quorum is present at any meeting, any matter other than the election of directors to be voted upon by the stockholders at such meeting shall be decided by the vote of the holders of shares of stock having a majority in voting power of the votes cast by the holders of all of the shares of stock present or represented at the meeting and voting affirmatively or negatively on such matter (or if there are two or more classes or series of stock entitled to vote as separate classes, then in the case of each such class or series, the holders of a majority in voting power of the shares of stock of that class or series present or represented at the meeting and voting affirmatively or negatively on such matter), except when a different vote is required by law, the Certificate of Incorporation or these By-laws. When a quorum is present at any meeting, any election by stockholders of directors shall be determined by a plurality of the votes cast by the stockholders entitled to vote on the election.

1.10 Conduct of Meetings.

(a) Chairman of Meeting. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in the Chairman’s absence by the Vice Chairman of the Board, if any, or in the Vice Chairman’s absence by the Chief Executive Officer, or in the Chief Executive Officer’s absence, by the President, or in the President’s absence by a Vice President, or in the absence of all of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen by vote of the stockholders at the meeting. The Secretary shall act as secretary of the meeting, but in the Secretary’s absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

(b) Rules, Regulations and Procedures. The Board of Directors may adopt by resolution such rules, regulations and procedures for the conduct of any meeting of stockholders of the corporation as it shall deem appropriate including, without limitation, such guidelines and procedures as it may deem appropriate regarding the participation by means of remote communication of stockholders and proxyholders not physically present at a meeting. Except to the extent inconsistent with such rules, regulations and procedures as adopted by the Board of Directors, the chairman of any meeting of stockholders 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 appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as shall be determined; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. 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 the rules of parliamentary procedure.
1.11 **Action without Meeting.** Any action required or permitted to be taken at any annual or special meeting of stockholders of the corporation may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is 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 on such action were present and voted. Except as otherwise provided by the Certificate of Incorporation, stockholders may act by written consent to elect directors; provided, however, that, if such consent is less than unanimous, such action by written consent may be in lieu of holding an annual meeting only if all of the directorships to which directors could be elected at an annual meeting held at the effective time of such action are vacant and are filled by such action.

(b) **Electronic Transmission of Consents.** A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or by a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the corporation can determine (i) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder or proxyholder and (ii) the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form shall be delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation’s registered office shall be made by hand or by certified or registered mail, return receipt requested. Notwithstanding the foregoing limitations on delivery, consents given by telegram, cablegram or other electronic transmission may be otherwise delivered to the principal place of business of the corporation or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded if, to the extent and in the manner provided by resolution of the Board of Directors. 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.

(c) **Notice of Taking of Corporate Action.** Prompt notice of the taking of corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing 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 holders to take the action were delivered to the corporation.
ARTICLE II

DIRECTORS

2.1 General Powers. The business and affairs of the corporation shall be managed by or under the direction of a Board of Directors, who may exercise all of the powers of the corporation except as otherwise provided by law or the Certificate of Incorporation.

2.2 Number, Election and Qualification. Subject to the rights of holders of any series of Preferred Stock to elect directors, the number of directors of the corporation shall be established from time to time by the stockholders or the Board of Directors. The directors shall be elected at the annual meeting of stockholders by such stockholders as have the right to vote on such election. Election of directors need not be by written ballot. Directors need not be stockholders of the corporation.

2.3 Chairman of the Board; Vice Chairman of the Board. The Board of Directors may appoint from its members a Chairman of the Board and a Vice Chairman of the Board, neither of whom need be an employee or officer of the corporation. If the Board of Directors appoints a Chairman of the Board, such Chairman shall perform such duties and possess such powers as are assigned by the Board of Directors and, if the Chairman of the Board is also designated as the corporation’s Chief Executive Officer, shall have the powers and duties of the Chief Executive Officer prescribed in Section 3.7 of these By-laws. If the Board of Directors appoints a Vice Chairman of the Board, such Vice Chairman shall perform such duties and possess such powers as are assigned by the Board of Directors. Unless otherwise provided by the Board of Directors, the Chairman of the Board or, in the Chairman’s absence, the Vice Chairman of the Board, if any, shall preside at all meetings of the Board of Directors.

2.4 Tenure. Each director shall hold office until the next annual meeting of stockholders and until a successor is elected and qualified, or until such director’s earlier death, resignation or removal.

2.5 Quorum. The greater of (a) a majority of the directors at any time in office and (b) one-third of the number of directors fixed pursuant to Section 2.2 of these By-laws shall constitute a quorum of the Board of Directors. If at any meeting of the Board of Directors there shall be less than such a quorum, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present.

2.6 Action at Meeting. Every act or decision done or made by a majority of the directors present at a meeting of the Board of Directors duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number is required by law or by the Certificate of Incorporation.

2.7 Removal. Except as otherwise provided by the General Corporation Law of the State of Delaware, any one or more or all of the directors of the corporation may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors, except that the directors elected by the holders of a particular class or series of stock may be removed without cause only by vote of the holders of a majority of the outstanding shares of such class or series.
2.8 Vacancies. Subject to the rights of holders of any series of Preferred Stock to elect directors, unless and until filled by the stockholders, any vacancy or newly-created directorship on the Board of Directors, however occurring, may be filled by vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of such director’s predecessor in office, and a director chosen to fill a position resulting from a newly-created directorship shall hold office until the next annual meeting of stockholders and until a successor is elected and qualified, or until such director’s earlier death, resignation or removal.

2.9 Resignation. Any director may resign by delivering a resignation in writing or by electronic transmission to the corporation at its principal office or to the Chairman of the Board, the Chief Executive Officer, the President or the Secretary. Such resignation shall be effective upon delivery unless it is specified to be effective at some later time or upon the happening of some later event.

2.10 Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place as shall be determined from time to time by the Board of Directors; provided that any director who is absent when such a determination is made shall be given notice of the determination. A regular meeting of the Board of Directors may be held without notice immediately after and at the same place as the annual meeting of stockholders.

2.11 Special Meetings. Special meetings of the Board of Directors may be held at any time and place designated in a call by the Chairman of the Board, the Chief Executive Officer, the President, two or more directors, or by one director in the event that there is only a single director in office.

2.12 Notice of Special Meetings. Notice of the date, place, if any, and time of any special meeting of directors shall be given to each director by the Secretary or by the officer or one of the directors calling the meeting. Notice shall be duly given to each director (a) in person or by telephone at least 24 hours in advance of the meeting, (b) by sending written notice by reputable overnight courier, telecopy, facsimile or electronic transmission, or delivering written notice by hand, to such director’s last known business, home or electronic transmission address at least 48 hours in advance of the meeting, or (c) by sending written notice by first-class mail to such director’s last known business or home address at least 72 hours in advance of the meeting. A notice or waiver of notice of a meeting of the Board of Directors need not specify the purposes of the meeting.

2.13 Meetings by Conference Communications Equipment. Directors may participate in meetings of the Board of Directors or any committee thereof 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 by such means shall constitute presence in person at such meeting.
2.14 **Action by Consent.** 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 to the action in writing or by electronic transmission, and the written consents or electronic 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.

2.15 **Committees.** The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation with such lawfully delegable powers and duties as the Board of Directors thereby confers, to serve at the pleasure of the Board of Directors. 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. In the absence or disqualification of a member of a committee, the member or members of the committee present at any meeting and not disqualified from voting, whether or not such member or members 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. Any such committee, to the extent provided in the resolution of the Board of Directors and subject to the provisions of law, 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. Each such committee shall keep minutes and make such reports as the Board of Directors may from time to time request. Except as the Board of Directors may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by the directors or in such rules, its business shall be conducted as nearly as possible in the same manner as is provided in these By-laws for the Board of Directors. Except as otherwise provided in the Certificate of Incorporation, these By-laws, or the resolution of the Board of Directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

2.16 **Compensation of Directors.** Directors may be paid such compensation for their services and such reimbursement for expenses of attendance at meetings as the Board of Directors may from time to time determine. No such payment shall preclude any director from serving the corporation or any of its parent or subsidiary entities in any other capacity and receiving compensation for such service.

**ARTICLE III**

**OFFICERS**

3.1 **Titles.** The officers of the corporation shall consist of a Chief Executive Officer, a President, a Secretary, a Treasurer and such other officers with such other titles as the Board of Directors shall determine, including one or more Vice Presidents, Assistant Treasurers and Assistant Secretaries. The Board of Directors may appoint such other officers as it may deem appropriate.
3.2 **Election.** The Chief Executive Officer, President, Treasurer and Secretary shall be elected annually by the Board of Directors at its first meeting following the annual meeting of stockholders. Other officers may be appointed by the Board of Directors at such meeting or at any other meeting.

3.3 **Qualification.** No officer need be a stockholder. Any two or more offices may be held by the same person.

3.4 **Tenure.** Except as otherwise provided by law, by the Certificate of Incorporation or by these By-laws, each officer shall hold office until such officer’s successor is elected and qualified, unless a different term is specified in the resolution electing or appointing such officer, or until such officer’s earlier death, resignation or removal.

3.5 **Resignation and Removal.** Any officer may resign by delivering a written resignation to the corporation at its principal office or to the Chief Executive Officer, the President or the Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some later time or upon the happening of some later event. Any officer may be removed at any time, with or without cause, by vote of a majority of the directors then in office. Except as the Board of Directors may otherwise determine, no officer who resigns or is removed shall have any right to any compensation as an officer for any period following such officer’s resignation or removal, or any right to damages on account of such removal, whether such officer’s compensation be by the month or by the year or otherwise, unless such compensation is expressly provided for in a duly authorized written agreement with the corporation.

3.6 **Vacancies.** The Board of Directors may fill any vacancy occurring in any office for any reason and may, in its discretion, leave unfilled for such period as it may determine any offices other than those of Chief Executive Officer, President, Treasurer and Secretary. Each such successor shall hold office for the unexpired term of such officer’s predecessor and until a successor is elected and qualified, or until such officer’s earlier death, resignation or removal.

3.7 **President; Chief Executive Officer.** Unless the Board of Directors has designated another person as the corporation’s Chief Executive Officer, the President shall be the Chief Executive Officer of the corporation. The Chief Executive Officer shall have general charge and supervision of the business of the corporation subject to the direction of the Board of Directors, and shall perform all duties and have all powers that are commonly incident to the office of chief executive or that are delegated to such officer by the Board of Directors. The President shall perform such other duties and shall have such other powers as the Board of Directors or the Chief Executive Officer (if the President is not the Chief Executive Officer) may from time to time prescribe. In the event of the absence, inability or refusal to act of the Chief Executive Officer or the President (if the President is not the Chief Executive Officer), the Vice President (or if there shall be more than one, the Vice Presidents in the order determined by the Board of Directors) shall perform the duties of the Chief Executive Officer and when so performing such duties shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer.

3.8 **Vice Presidents.** Each Vice President shall perform such duties and possess such powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe. The Board of Directors may assign to any Vice President the title of Executive Vice President, Senior Vice President or any other title selected by the Board of Directors.
3.9 Secretary and Assistant Secretaries. The Secretary shall perform such duties and shall have such powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe. In addition, the Secretary shall perform such duties and have such powers as are incident to the office of the secretary, including without limitation the duty and power to give notices of all meetings of stockholders and special meetings of the Board of Directors, to attend all meetings of stockholders and the Board of Directors and keep a record of the proceedings, to maintain a stock ledger and prepare lists of stockholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents.

Any Assistant Secretary shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Secretary.

In the absence of the Secretary or any Assistant Secretary at any meeting of stockholders or directors, the chairman of the meeting shall designate a temporary secretary to keep a record of the meeting.

3.10 Treasurer and Assistant Treasurers. The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned by the Board of Directors or the Chief Executive Officer. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of treasurer, including without limitation the duty and power to keep and be responsible for all funds and securities of the corporation, to deposit funds of the corporation in depositories selected in accordance with these By-laws, to disburse such funds as ordered by the Board of Directors, to make proper accounts of such funds, and to render as required by the Board of Directors statements of all such transactions and of the financial condition of the corporation.

The Assistant Treasurers shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer or the Treasurer may from time to time prescribe. In the event of the absence, inability or refusal to act of the Treasurer, the Assistant Treasurer (or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Treasurer.

3.11 Salaries. Officers of the corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board of Directors.

3.12 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.
ARTICLE IV

CAPITAL STOCK

4.1 Issuance of Stock. Subject to the provisions of the Certificate of Incorporation, the whole or any part of any unissued balance of the authorized capital stock of the corporation or the whole or any part of any shares of the authorized capital stock of the corporation held in the corporation’s treasury may be issued, sold, transferred or otherwise disposed of by vote of the Board of Directors in such manner, for such lawful consideration and on such terms as the Board of Directors may determine.

4.2 Stock Certificates; Uncertificated Shares. The shares of the corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of the corporation’s stock shall be uncertificated shares. Every holder of stock of the corporation represented by certificates shall be entitled to have a certificate, in such form as may be prescribed by law and by the Board of Directors, representing the number of shares held by such holder registered in certificate form. Each such certificate shall be signed in a manner that complies with Section 158 of the General Corporation Law of the State of Delaware.

Each certificate for shares of stock which are subject to any restriction on transfer pursuant to the Certificate of Incorporation, these By-laws, applicable securities laws or any agreement among any number of stockholders or among such holders and the corporation shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction.

If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of each certificate representing shares of such class or series of stock, provided that in lieu of the foregoing requirements there may be set forth on the face or back of each certificate representing shares of such class or series of stock a statement that the corporation will furnish without charge to each stockholder who so requests a copy of the full text of the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Within a reasonable time after the issuance or transfer of uncertificated shares, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to Sections 151, 202(a) or 218(a) of the General Corporation Law of the State of Delaware or, with respect to Section 151 of General Corporation Law of the State of Delaware, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.
4.3 **Transfers.** Shares of stock of the corporation shall be transferable in the manner prescribed by law and in these By-laws. Transfers of shares of stock of the corporation shall be made only on the books of the corporation or by transfer agents designated to transfer shares of stock of the corporation. Subject to applicable law, shares of stock represented by certificates shall be transferred only on the books of the corporation by the surrender to the corporation or its transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney properly executed, and with such proof of authority or the authenticity of signature as the corporation or its transfer agent may reasonably require. Except as may be otherwise required by law, by the Certificate of Incorporation or by these By-laws, the corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect to such stock, regardless of any transfer, pledge or other disposition of such stock until the shares have been transferred on the books of the corporation in accordance with the requirements of these By-laws.

4.4 **Lost, Stolen or Destroyed Certificates.** The corporation may issue a new certificate of stock in place of any previously issued certificate alleged to have been lost, stolen or destroyed, upon such terms and conditions as the Board of Directors may prescribe, including the presentation of reasonable evidence of such loss, theft or destruction and the giving of such indemnity and posting of such bond as the Board of Directors may require for the protection of the corporation or any transfer agent or registrar.

4.5 **Record Date.** The Board of Directors may fix in advance a date as a record date for the determination of the stockholders entitled to notice of or to vote at any meeting of stockholders or to express consent (or dissent) to corporate action without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action. Such record date shall not precede the date on which the resolution fixing the record date is adopted, and such record date shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 10 days after the date of adoption of a record date for a consent without a meeting, nor more than 60 days prior to any other action to which such record date relates.

If no record date is fixed, 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 before the day on which notice is given, or, if notice is waived, at the close of business on the day before the day on which the meeting is held. If no record date is fixed, the record date for determining stockholders entitled to express consent to corporate action without a meeting, when no prior action by the Board of Directors is necessary, shall be the day on which the first consent is properly delivered to the corporation. If no record date is fixed, the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating to such purpose.

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.
4.6 Regulations. The issue, transfer, conversion and registration of shares of stock of the corporation shall be governed by such other regulations as the Board of Directors may establish.

ARTICLE V

GENERAL PROVISIONS

5.1 Fiscal Year. Except as from time to time otherwise designated by the Board of Directors, the fiscal year of the corporation shall begin on the first day of January of each year and end on the last day of December in each year.

5.2 Corporate Seal. The corporate seal shall be in such form as shall be approved by the Board of Directors.

5.3 Waiver of Notice. Whenever notice is required to be given by law, by the Certificate of Incorporation or by these By-laws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before, at or after the time of the event for which notice is to be given, shall be deemed equivalent to notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in any such waiver. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person 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.

5.4 Voting of Securities. Except as the Board of Directors may otherwise designate, the Chief Executive Officer, the President or the Treasurer may waive notice of, vote, or appoint any person or persons to vote, on behalf of the corporation at, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact for this corporation (with or without power of substitution) at, any meeting of stockholders or securityholders of any other entity, the securities of which may be held by this corporation.

5.5 Evidence of Authority. A certificate by the Secretary, or an Assistant Secretary, or a temporary Secretary, as to any action taken by the stockholders, directors, a committee or any officer or representative of the corporation shall as to all persons who rely on the certificate in good faith be conclusive evidence of such action.

5.6 Certificate of Incorporation. All references in these By-laws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the corporation, as amended and in effect from time to time.

5.7 Severability. Any determination that any provision of these By-laws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these By-laws.

5.8 Pronouns. All pronouns used in these By-laws shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.
ARTICLE VI

AMENDMENTS

6.1 By the Board of Directors. These By-laws may be altered, amended or repealed, in whole or in part, or new by-laws may be adopted by the Board of Directors.

6.2 By the Stockholders. These By-laws may be altered, amended or repealed, in whole or in part, or new by-laws may be adopted by the affirmative vote of the holders of a majority of the shares of the capital stock of the corporation issued and outstanding and entitled to vote at any annual meeting of stockholders, or at any special meeting of stockholders, provided notice of such alteration, amendment, repeal or adoption of new by-laws shall have been stated in the notice of such special meeting.
RESTATED CERTIFICATE OF INCORPORATION
OF
CONSTELLATION PHARMACEUTICALS, INC.
(originally incorporated on January 11, 2008 under the name EpiGenetiX, Inc.)

FIRST: The name of the Corporation is Constellation Pharmaceuticals, Inc.

SECOND: The address of the Corporation’s registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at that address is The Corporation Trust Company.

THIRD: The nature of the business or purposes to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares of all classes of stock that the Corporation shall have authority to issue is 205,000,000 shares, consisting of (i) 200,000,000 shares of Common Stock, $0.0001 par value per share (“Common Stock”), and (ii) 5,000,000 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 of the holders of the Preferred Stock of any series as may be designated by the Board of Directors upon any issuance of the Preferred Stock of any series.

2. Voting. The holders of the Common Stock shall have voting rights at all meetings of stockholders, each such holder being entitled to one vote for each share thereof held by such holder; provided, however, that, except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Certificate of Incorporation (which, as used herein, shall mean the certificate of incorporation of the Corporation, as amended from time to time, including the terms of any certificate of designations of 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 are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon pursuant to this Certificate of Incorporation or the General Corporation Law of the State of Delaware. There shall be no cumulative voting.
The number of authorized shares of Common 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 stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of the State of Delaware.

3. **Dividends.** Dividends may be declared and paid on the Common Stock from funds lawfully available therefor if, as and when determined by the Board of Directors and subject to any preferential dividend or other rights of any then outstanding Preferred Stock.

4. **Liquidation.** Upon the dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, holders of Common Stock will be entitled to receive all assets of the Corporation available for distribution to its stockholders, subject to any preferential or other rights of any then outstanding Preferred Stock.

**B PREFERRED STOCK.**

Preferred Stock may be issued from time to time in one or more series, each of such series to have such terms as stated or expressed herein and in the resolution or resolutions providing for the issue of such series adopted by the Board of Directors of the Corporation as hereinafter provided. Any shares of Preferred Stock that may be redeemed, purchased or acquired by the Corporation may be reissued except as otherwise provided by law.

Authority is hereby expressly granted to the Board of Directors from time to time to issue the Preferred Stock in one or more series, and in connection with the creation of any such series, by adopting a resolution or resolutions providing for the issuance of the shares thereof and by filing a certificate of designations relating thereto in accordance with the General Corporation Law of the State of Delaware, to determine and fix the number of shares of such series and such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including dividend rights, conversion rights, redemption privileges and liquidation preferences, as shall be stated and expressed in such resolutions, all to the full extent now or hereafter permitted by the General Corporation Law of the State of Delaware. Without limiting the generality of the foregoing, the resolutions providing for issuance of any series of Preferred Stock may provide that such series shall be superior or rank equally or be junior to any other series of Preferred Stock to the extent permitted by law. The powers, preferences and relative, participating, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares then outstanding) by the affirmative vote of the holders of a majority of the voting power of the capital stock of the Corporation entitled to vote thereon, voting as a single class, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of the State of Delaware.

**FIFTH:** Except as otherwise provided herein, the Corporation 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 and this Certificate of Incorporation, and all rights conferred upon stockholders herein are granted subject to this reservation.
SIXTH: In furtherance and not in limitation of the powers conferred upon it by the General Corporation Law of the State of Delaware, and subject to the terms of any series of Preferred Stock, the Board of Directors shall have the power to adopt, amend, alter or repeal the Bylaws of the Corporation by the affirmative vote of a majority of the directors present at any regular or special meeting of the Board of Directors at which a quorum is present. The stockholders may not adopt, amend, alter or repeal the Bylaws of the Corporation, or adopt any provision inconsistent therewith, unless such action is approved, in addition to any other vote required by this Certificate of Incorporation, by the affirmative vote of the holders of at least seventy-five percent (75%) of the votes that all the stockholders would be entitled to cast in an election of directors or class of directors. Notwithstanding any other provisions of law, this Certificate of Incorporation or the Bylaws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of at least seventy-five percent (75%) of the votes that all the stockholders would be entitled to cast in an election of directors or class of directors shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article SIXTH.

SEVENTH: Except to the extent that the General Corporation Law of the State of Delaware prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty, no director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability. No amendment to or repeal of this provision shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal. If the General Corporation Law of the State of Delaware is amended to permit further elimination or limitation of 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 of the State of Delaware as so amended.

EIGHTH: The Corporation shall provide indemnification and advancement of expenses as follows:

1. Actions, Suits and Proceedings Other than by or in the Right of the Corporation. The Corporation shall indemnify each person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was, or has agreed to become, a director or officer of the Corporation, or is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (including any employee benefit plan) (all such persons being referred to hereafter as an “Indemnitee”), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys’ fees), liabilities, losses, judgments, fines (including excise taxes and penalties arising under the Employee Retirement Income Security Act of 1974), and amounts paid in settlement actually and reasonably incurred by or on behalf of Indemnitee in connection with such action, suit or
proceeding and any appeal therefrom, if Indemnitee acted in good faith and in a manner which Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

2. Actions or Suits by or in the Right of the Corporation. The Corporation shall indemnify any Indemnitee who was or is a party to or threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that Indemnitee is or was, or has agreed to become, a director or officer of the Corporation, or is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (including any employee benefit plan), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys’ fees) and, to the extent permitted by law, amounts paid in settlement actually and reasonably incurred by or on behalf of Indemnitee in connection with such action, suit or proceeding and any appeal therefrom, if Indemnitee acted in good faith and in a manner which Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

3. Indemnification for Expenses of Successful Party. Notwithstanding any other provisions of this Article EIGHTH, to the extent that an Indemnitee has been successful, on the merits or otherwise, in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article EIGHTH, or in defense of any claim, issue or matter therein, or on appeal from any such action, suit or proceeding, Indemnitee shall be indemnified against all expenses (including attorneys’ fees) actually and reasonably incurred by or on behalf of Indemnitee in connection therewith. Without limiting the foregoing, if any action, suit or proceeding is disposed of, on the merits or otherwise (including a disposition without prejudice), without (i) the disposition being adverse to Indemnitee, (ii) an adjudication that Indemnitee was liable to the Corporation, (iii) a plea of guilty or nolo contendere by Indemnitee, (iv) an adjudication that Indemnitee did not act in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and (v) with respect to any criminal proceeding, an adjudication that Indemnitee had reasonable cause to believe his or her conduct was unlawful, Indemnitee shall be considered for the purposes hereof to have been wholly successful with respect thereto.

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4. Notification and Defense of Claim. As a condition precedent to an Indemnitee’s right to be indemnified, such Indemnitee must notify the Corporation in writing as soon as practicable of any action, suit, proceeding or investigation involving such Indemnitee for which indemnity will or could be sought. With respect to any action, suit, proceeding or investigation of which the Corporation is so notified, the Corporation will be entitled to participate therein at its own expense and/or to assume the defense thereof at its own expense, with legal counsel reasonably acceptable to Indemnitee. After notice from the Corporation to Indemnitee of its election so to assume such defense, the Corporation shall not be liable to Indemnitee for any legal or other expenses subsequently incurred by Indemnitee in connection with such action, suit, proceeding or investigation, other than as provided below in this Section 4. Indemnitee shall have the right to employ his or her own counsel in connection with such action, suit, proceeding or investigation, but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of Indemnitee unless (i) the employment of counsel by Indemnitee has been authorized by the Corporation, (ii) counsel to Indemnitee shall have reasonably concluded that there may be a conflict of interest or position on any significant issue between the Corporation and Indemnitee in the conduct of the defense of such action, suit, proceeding or investigation or (iii) the Corporation shall not in fact have employed counsel to assume the defense of such action, suit, proceeding or investigation, in each of which cases the fees and expenses of counsel for Indemnitee shall be at the expense of the Corporation, except as otherwise expressly provided by this Article EIGHTH. The Corporation shall not be entitled, without the consent of Indemnitee, to assume the defense of any claim brought by or in the right of the Corporation or as to which counsel for Indemnitee shall have reasonably made the conclusion provided for in clause (ii) above. The Corporation shall not be required to indemnify Indemnitee under this Article EIGHTH for any amounts paid in settlement of any action, suit, proceeding or investigation without its written consent. The Corporation shall not settle any action, suit, proceeding or investigation in any manner which would impose any penalty or limitation on Indemnitee without Indemnitee’s written consent. Neither the Corporation nor Indemnitee will unreasonably withhold or delay its consent to any proposed settlement.

5. Advancement of Expenses. Subject to the provisions of Section 6 of this Article EIGHTH, in the event of any threatened or pending action, suit, proceeding or investigation of which the Corporation receives notice under this Article EIGHTH, any expenses (including attorneys’ fees) incurred by or on behalf of Indemnitee in defending an action, suit, proceeding or investigation or any appeal therefrom shall be paid by the Corporation in advance of the final disposition of such matter; provided, however, that the payment of such expenses incurred by or on behalf of Indemnitee in advance of the final disposition of such matter shall be made only upon receipt of an undertaking by or on behalf of Indemnitee to repay all amounts so advanced in the event that it shall ultimately be determined by final judicial decision from which there is no further right to appeal that Indemnitee is not entitled to be indemnified by the Corporation as authorized in this Article EIGHTH; and provided further that no such advancement of expenses shall be made under this Article EIGHTH if it is determined (in the manner described in Section 6) that (i) Indemnitee did not act in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, or (ii) with respect to any criminal action or proceeding, Indemnitee had reasonable cause to believe his or her conduct was unlawful. Such undertaking shall be accepted without reference to the financial ability of Indemnitee to make such repayment.
6. Procedure for Indemnification and Advancement of Expenses. In order to obtain indemnification or advancement of expenses pursuant to Section 1, 2, 3 or 5 of this Article EIGHTH, an Indemnitee shall submit to the Corporation a written request. Any such advancement of expenses shall be made promptly, and in any event within 60 days after receipt by the Corporation of the written request of Indemnitee, unless (i) the Corporation has assumed the defense pursuant to Section 4 of this Article EIGHTH (and none of the circumstances described in Section 4 of this Article EIGHTH that would nonetheless entitle the Indemnitee to indemnification for the fees and expenses of separate counsel have occurred) or (ii) the Corporation determines within such 60-day period that Indemnitee did not meet the applicable standard of conduct set forth in Section 1, 2 or 5 of this Article EIGHTH, as the case may be. Any such indemnification, unless ordered by a court, shall be made with respect to requests under Section 1 or 2 of this Article EIGHTH only as authorized in the specific case upon a determination by the Corporation that the indemnification of Indemnitee is proper because Indemnitee has met the applicable standard of conduct set forth in Section 1 or 2, as the case may be. Such determination shall be made in each instance (a) by a majority vote of the directors of the Corporation consisting of persons who are not at that time parties to the action, suit or proceeding in question ("disinterested directors"), whether or not a quorum, (b) by a committee of disinterested directors designated by majority vote of disinterested directors, whether or not a quorum, (c) if there are no disinterested directors, or if the disinterested directors so direct, by independent legal counsel (who may, to the extent permitted by law, be regular legal counsel to the Corporation) in a written opinion, or (d) by the stockholders of the Corporation.

7. Remedies. Subject to Article TWELFTH, the right to indemnification or advancement of expenses as granted by this Article EIGHTH shall be enforceable by Indemnitee in any court of competent jurisdiction. Neither the failure of the Corporation to have made a determination prior to the commencement of such action that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Corporation pursuant to Section 6 of this Article EIGHTH that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct. In any suit brought by Indemnitee to enforce a right to indemnification or advancement of expenses, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall have the burden of proving that Indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article EIGHTH. Indemnitee’s expenses (including attorneys’ fees) reasonably incurred in connection with successfully establishing Indemnitee’s right to indemnification or advancement of expenses, in whole or in part, in any such proceeding shall also be indemnified by the Corporation to the fullest extent permitted by applicable law. Notwithstanding the foregoing, in any suit brought by Indemnitee to enforce a right to indemnification or advancement of expenses hereunder it shall be a defense that the Indemnitee has not met any applicable standard for indemnification set forth in the General Corporation Law of the State of Delaware.

8. Limitations. Notwithstanding anything to the contrary in this Article EIGHTH, except as set forth in Section 7 of this Article EIGHTH, the Corporation shall not indemnify, or advance expenses to, an Indemnitee pursuant to this Article EIGHTH in connection with a proceeding (or part thereof) initiated by such Indemnitee unless the initiation thereof was approved by the Board of Directors. Notwithstanding anything to the contrary in this Article
EIGHTH, the Corporation shall not indemnify or advance expenses to an Indemnitee to the extent such Indemnitee is reimbursed from the proceeds of insurance, and in the event the Corporation makes any indemnification or advancement payments to an Indemnitee and such Indemnitee is subsequently reimbursed from the proceeds of insurance, such Indemnitee shall promptly refund indemnification or advancement payments to the Corporation to the extent of such insurance reimbursement.

9. Subsequent Amendment. No amendment, termination or repeal of this Article EIGHTH or of the relevant provisions of the General Corporation Law of the State of Delaware or any other applicable laws shall adversely affect or diminish in any way the rights of any Indemnitee to indemnification or advancement of expenses under the provisions hereof with respect to any action, suit, proceeding or investigation arising out of or relating to any actions, transactions or facts occurring prior to the final adoption of such amendment, termination or repeal.

10. Other Rights. The indemnification and advancement of expenses provided by this Article EIGHTH shall not be deemed exclusive of any other rights to which an Indemnitee seeking indemnification or advancement of expenses may be entitled under any law (common or statutory), agreement or vote of stockholders or disinterested directors or otherwise, both as to action in Indemnitee’s official capacity and as to action in any other capacity while holding office for the Corporation, and shall continue as to an Indemnitee who has ceased to be a director or officer, and shall inure to the benefit of the estate, heirs, executors and administrators of Indemnitee. Nothing contained in this Article EIGHTH shall be deemed to prohibit, and the Corporation is specifically authorized to enter into, agreements with officers and directors providing indemnification and advancement rights and procedures different from those set forth in this Article EIGHTH. In addition, the Corporation may, to the extent authorized from time to time by its Board of Directors, grant indemnification and advancement rights to other employees or agents of the Corporation or other persons serving the Corporation and such rights may be equivalent to, or greater or less than, those set forth in this Article EIGHTH.

11. Partial Indemnification. If an Indemnitee is entitled under any provision of this Article EIGHTH to indemnification by the Corporation for some or a portion of the expenses (including attorneys’ fees), liabilities, losses, judgments, fines (including excise taxes and penalties arising under the Employee Retirement Income Security Act of 1974) or amounts paid in settlement actually and reasonably incurred by or on behalf of Indemnitee in connection with any action, suit, proceeding or investigation and any appeal therefrom but not, however, for the total amount thereof, the Corporation shall nevertheless indemnify Indemnitee for the portion of such expenses (including attorneys’ fees), liabilities, losses, judgments, fines (including excise taxes and penalties arising under the Employee Retirement Income Security Act of 1974) or amounts paid in settlement to which Indemnitee is entitled.

12. Insurance. The Corporation may purchase and maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise (including any employee benefit plan) against any expense, liability or loss incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of the State of Delaware.
13. **Savings Clause.** If this Article EIGHTH or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each Indemnitee as to any expenses (including attorneys’ fees), liabilities, losses, judgments, fines (including excise taxes and penalties arising under the Employee Retirement Income Security Act of 1974) and amounts paid in settlement in connection with any action, suit, proceeding or investigation, whether civil, criminal or administrative, including an action by or in the right of the Corporation, to the fullest extent permitted by any applicable portion of this Article EIGHTH that shall not have been invalidated and to the fullest extent permitted by applicable law.

14. **Definitions.** Terms used herein and defined in Section 145(h) and Section 145(i) of the General Corporation Law of the State of Delaware shall have the respective meanings assigned to such terms in such Section 145(h) and Section 145(i).

NINTH: This Article NINTH is inserted for the management of the business and for the conduct of the affairs of the Corporation.

1. **General Powers.** The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

2. **Number of Directors; Election of Directors.** Subject to the rights of holders of any series of Preferred Stock to elect directors, the number of directors of the Corporation shall be established from time to time by the Board of Directors. Election of directors need not be by written ballot, except as and to the extent provided in the Bylaws of the Corporation.

3. **Classes of Directors.** Subject to the rights of holders of any series of Preferred Stock to elect directors, the Board of Directors shall be and is divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. The Board of Directors is authorized to assign members of the Board of Directors already in office to Class I, Class II or Class III at the time such classification becomes effective.

4. **Terms of Office.** Subject to the rights of holders of any series of Preferred Stock to elect directors, each director shall serve for a term ending on the date of the third annual meeting of stockholders following the annual meeting of stockholders at which such director was elected; provided that each director initially assigned to Class I shall serve for a term expiring at the Corporation’s first annual meeting of stockholders held after the effectiveness of this Restated Certificate of Incorporation; each director initially assigned to Class II shall serve for a term expiring at the Corporation’s second annual meeting of stockholders held after the effectiveness of this Restated Certificate of Incorporation; and each director initially assigned to Class III shall serve for a term expiring at the Corporation’s third annual meeting of stockholders held after the effectiveness of this Restated Certificate of Incorporation; provided further, that the term of each director shall continue until the election and qualification of his or her successor and be subject to his or her earlier death, resignation or removal.

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5. **Quorum.** The greater of (a) a majority of the directors at any time in office and (b) one-third of the number of directors fixed pursuant to Section 2 of this Article NINTH shall constitute a quorum of the Board of Directors. If at any meeting of the Board of Directors there shall be less than such a quorum, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present.

6. **Action at Meeting.** Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors unless a greater number is required by law or by this Certificate of Incorporation.

7. **Removal.** Subject to the rights of holders of any series of Preferred Stock, directors of the Corporation may be removed only for cause and only by the affirmative vote of the holders of at least seventy-five percent (75%) of the votes that all the stockholders would be entitled to cast in an election of directors or class of directors.

8. **Vacancies.** Subject to the rights of holders of any series of Preferred Stock, any vacancies or newly-created directorships on the Board of Directors, however occurring, shall be filled only by vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director and shall not be filled by the stockholders. A director elected to fill a vacancy or to fill a position resulting from a newly-created directorship shall hold office until the next election of the class for which such director shall have been chosen, subject to the election and qualification of a successor and to such director’s earlier death, resignation or removal.

9. **Stockholder Nominations and Introduction of Business, Etc.** Advance notice of stockholder nominations for election of directors and other business to be brought by stockholders before a meeting of stockholders shall be given in the manner provided by the Bylaws of the Corporation.

10. **Amendments to Article.** Notwithstanding any other provisions of law, this Certificate of Incorporation or the Bylaws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of at least seventy-five percent (75%) of the votes that all the stockholders would be entitled to cast in an election of directors or class of directors shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article NINTH.

TENTH: Stockholders of the Corporation may not take any action by written consent in lieu of a meeting. Notwithstanding any other provisions of law, this Certificate of Incorporation or the Bylaws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of at least seventy-five percent (75%) of the votes that all the stockholders would be entitled to cast in an election of directors or class of directors shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article TENTH.

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ELEVENTH: Special meetings of stockholders for any purpose or purposes may be called at any time only by the Board of Directors, and may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting. Notwithstanding any other provisions of law, this Certificate of Incorporation or the Bylaws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of at least seventy-five percent (75%) of the votes that all the stockholders would be entitled to cast in an election of directors or class of directors shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article ELEVENTH.

TWELFTH: Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware does not have jurisdiction, the federal district court for the District of Delaware) shall, to the fullest extent permitted by law, 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, other employee or stockholder of the Corporation to the Corporation or the Corporation’s stockholders, (iii) any action asserting a claim arising pursuant to any provision of the General Corporation Law of the State of Delaware or as to which the General Corporation Law of the State of Delaware confers jurisdiction on the Court of Chancery of the State of Delaware, or (iv) any action asserting a claim arising pursuant to any provision of this Certificate of Incorporation or the Bylaws of the Corporation (in each case, as they may be amended from time to time) or governed by the internal affairs doctrine.

Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article TWELFTH.
IN WITNESS WHEREOF, this Restated Certificate of Incorporation, which restates, integrates and amends the certificate of incorporation of the Corporation, and which has been duly adopted in accordance with Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware, has been executed by its duly authorized officer this day of , 2018.

CONSTELLATION PHARMACEUTICALS, INC.

By:

Name: Jigar Raythatha
Title: President and Chief Executive Officer
AMENDED AND RESTATED BYLAWS
OF
CONSTELLATION PHARMACEUTICALS, INC.
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ARTICLE I

STOCKHOLDERS

1.1 Place of Meetings. All meetings of stockholders shall be held at such place, if any, as may be designated from time to time by the Board of Directors, the Chairman of the Board or the Chief Executive Officer or, if not so designated, at the principal executive office of the corporation. The Board of Directors may, in its sole discretion, determine that a meeting shall not be held at any place, but shall instead be held solely by means of remote communication in a manner consistent with the General Corporation Law of the State of Delaware.

1.2 Annual Meeting. The annual meeting of stockholders for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly be brought before the meeting shall be held on a date and at a time designated by the Board of Directors, the Chairman of the Board or the Chief Executive Officer. The Board of Directors may postpone, reschedule or cancel any previously scheduled annual meeting of stockholders.

1.3 Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time only by the Board of Directors, and may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting. The Board of Directors may postpone, reschedule or cancel any previously scheduled special meeting of stockholders.

1.4 Record Date for Stockholder Meetings. In order that the corporation may determine the stockholders entitled to notice of 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 not be more than 60 nor less than 10 days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors
determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. 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 determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

1.5 Notice of Meetings. Except as otherwise provided by law, the Certificate of Incorporation or these bylaws, notice of each meeting of stockholders, whether annual or special, 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. Without limiting the manner by which notice otherwise may be given to stockholders, any notice shall be effective if given by a form of electronic transmission consented to (in a manner consistent with the General Corporation Law of the State of Delaware) by the stockholder to whom the notice is given. The notices of all meetings shall state the place, if any, date and time 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 such meeting. The notice of a special meeting shall state, in addition, the purpose or purposes for which the meeting is called. If notice is given by mail, such notice shall be 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 notice is given by electronic transmission, such notice shall be deemed given at the time specified in Section 232 of the General Corporation Law of the State of Delaware.
1.6 **Voting List.** The corporation shall prepare, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting), arranged in alphabetical order, and 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 for a period of at least 10 days prior 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. If the meeting is to be held at a physical location (and not solely by means of remote communication), then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, such list shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 1.6 or to vote in person or by proxy at any meeting of stockholders.

1.7 **Quorum.** Except as otherwise provided by law, the Certificate of Incorporation or these bylaws, the holders of a majority in voting power of the shares of the capital stock of the corporation issued and outstanding and entitled to vote at the meeting, present in person, present by means of remote communication in a manner, if any, authorized by the Board of Directors in its sole discretion, or represented by proxy, shall constitute a quorum for the transaction of business; provided, however, that where a separate vote by a class or classes or series of capital stock is required by law or the Certificate of Incorporation, the holders of a majority in voting power of the shares of such class or classes or series of capital stock of the corporation issued and outstanding and entitled to vote on such matter, present in person, present by means of remote communication in a manner, if any, authorized by the Board of Directors in its sole discretion, or represented by proxy, shall constitute a quorum entitled to take action with respect to the vote on such matter. A quorum, once established at a meeting, shall not be broken by the withdrawal of enough votes to leave less than a quorum.
1.8 **Adjournments.** Any meeting of stockholders may be adjourned from time to time to reconvene at any other time and to any other place at which a meeting of stockholders may be held under these bylaws by the chairman of the meeting. It shall not be necessary to notify any stockholder of any adjournment of less than 30 days if the time and place, if any, of the adjourned meeting, and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting, are announced at the meeting at which adjournment is taken, unless after the adjournment a new record date is fixed for the adjourned meeting. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record as of the record date so fixed for notice of such adjourned meeting.

1.9 **Voting and Proxies.** Each stockholder shall have one vote upon the matter in question for each share of stock entitled to vote held of record by such stockholder and a proportionate vote for each fractional share so held, unless otherwise provided by law or the Certificate of Incorporation. Each stockholder of record entitled to vote at a meeting of stockholders may vote in person (including by means of remote communications, if any, by which stockholders may be deemed to be present in person and vote at such meeting) or may authorize another person or persons to vote for such stockholder by a proxy executed or transmitted in a manner permitted by the General Corporation Law of the State of Delaware by the stockholder or such stockholder’s authorized agent and delivered (including by electronic transmission) to the Secretary of the corporation. No such proxy shall be voted upon after three years from the date of its execution, unless the proxy expressly provides for a longer period.
1.10 Action at Meeting. When a quorum is present at any meeting, any matter other than the election of directors to be voted upon by the stockholders at such meeting shall be decided by the vote of the holders of shares of stock having a majority in voting power of the votes cast by the holders of all of the shares of stock present or represented at the meeting and voting affirmatively or negatively on such matter (or if there are two or more classes or series of stock entitled to vote as separate classes, then in the case of each such class or series, the holders of a majority in voting power of the shares of stock of that class or series present or represented at the meeting and voting affirmatively or negatively on such matter), except when a different vote is required by law, the Certificate of Incorporation or these bylaws. When a quorum is present at any meeting, any election by stockholders of directors shall be determined by a plurality of the votes cast by the stockholders entitled to vote on the election.

1.11 Nomination of Directors.

(a) Except for (1) any directors entitled to be elected by the holders of preferred stock, (2) any directors elected in accordance with Section 2.8 hereof by the Board of Directors to fill vacancies or newly-created directorships or (3) as otherwise required by applicable law or stock exchange regulation, at any meeting of stockholders, only persons who are nominated in accordance with the procedures in this Section 1.11 shall be eligible for election as directors. Nomination for election to the Board of Directors at a meeting of stockholders may be made (i) by or at the direction of the Board of Directors or (ii) by any stockholder of the corporation who (x) timely complies with the notice procedures in Section 1.11(b), (y) is a stockholder of record who is entitled to vote for the election of such nominee on the date of the giving of such notice and on the record date for the determination of stockholders entitled to vote at such meeting and (z) is entitled to vote at such meeting.

(b) To be timely, a stockholder’s notice must be received in writing by the Secretary at the principal executive office of the corporation as follows: (1) in the case of an election of directors at an annual meeting of stockholders, not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year’s annual meeting; provided, however, that (x) in the case of an annual meeting of stockholders of the corporation to be held in 2019 or (y) in the event that the date of the annual meeting in any other year is advanced by more than 30 days, or delayed by more than 60 days, from the first anniversary of the preceding year’s annual meeting, or if no annual meeting was held in the preceding year, a stockholder’s notice must be so received not earlier than the 120th day prior to such annual meeting and not
later than the close of business on the later of (x) the 90th day prior to such annual meeting and (y) the tenth day following the day on which notice of the date of such annual meeting was mailed or public disclosure of the date of such annual meeting was made, whichever first occurs; or (2) in the case of an election of directors at a special meeting of stockholders, provided that the Board of Directors has determined, in accordance with Section 1.3, that directors shall be elected at such special meeting and provided further that the nomination made by the stockholder is for one of the director positions that the Board of Directors has determined will be filled at such special meeting, not earlier than the 120th day prior to such special meeting and not later than the close of business on the later of (x) the 90th day prior to such special meeting and (y) the tenth day following the day on which notice of the date of such special meeting was mailed or public disclosure of the date of such special meeting was made, whichever first occurs. In no event shall the adjournment or postponement of a meeting (or the public disclosure thereof) commence a new time period (or extend any time period) for the giving of a stockholder’s notice.

The stockholder’s notice to the Secretary shall set forth: (A) as to each proposed nominee (1) such person’s name, age, business address and, if known, residence address, (2) such person’s principal occupation or employment, (3) the class and series and number of shares of stock of the corporation that are, directly or indirectly, owned, beneficially or of record, by such person, (4) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among (x) the stockholder, the beneficial owner, if any, on whose behalf the nomination is being made and the respective affiliates and associates of, or others acting in concert with, such stockholder and such beneficial owner, on the one hand, and (y) each proposed nominee, and his or her respective affiliates and associates, or others acting in concert with such nominee(s), on the other hand, including all information that would be required to be disclosed pursuant to Item 404 of Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made or any affiliate or associate thereof or person acting in concert therewith were the “registrant” for purposes of such Item and the proposed nominee were a director or executive officer of such registrant, and (5) any other information concerning such person that must be disclosed as to nominees in proxy solicitations pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the
“Exchange Act”); and (B) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is being made (1) the name and address of such stockholder, as they appear on the corporation’s books, and of such beneficial owner, (2) the class and series and number of shares of stock of the corporation that are, directly or indirectly, owned, beneficially or of record, by such stockholder and such beneficial owner, (3) a description of any agreement, arrangement or understanding between or among such stockholder and/or such beneficial owner and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are being made or who may participate in the solicitation of proxies or votes in favor of electing such nominee(s), (4) a description of any agreement, arrangement or understanding (including any derivative or short positions, swaps, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into by, or on behalf of, such stockholder or such beneficial owner, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder or such beneficial owner with respect to shares of stock of the corporation, (5) any other information relating to such stockholder and such beneficial owner that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (6) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the person(s) named in its notice and (7) a representation whether such stockholder and/or such beneficial owner intends or is part of a group that intends (x) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the corporation’s outstanding capital stock reasonably believed by such stockholder or such beneficial owner to be sufficient to elect the nominee (and such representation shall be included in any such proxy statement and form of proxy) and/or (y) otherwise to solicit proxies or votes from stockholders in support of such nomination (and such representation shall be included in any such solicitation materials). Not later than 10 days after the record date for the meeting, the information required by Items (A)(1)-(5) and (B)(1)-(5) of the prior sentence shall be supplemented by the stockholder giving the notice to provide updated information as of the record date. In addition, to be effective, the stockholder’s notice must be accompanied by the written consent of the proposed...
nominee to serve as a director if elected. The corporation may require any proposed nominee to furnish such other information as the corporation may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the corporation or whether such nominee would be independent under applicable Securities and Exchange Commission and stock exchange rules and the corporation's publicly disclosed corporate governance guidelines. A stockholder shall not have complied with this Section 1.11(b) if the stockholder (or beneficial owner, if any, on whose behalf the nomination is made) solicits or does not solicit, as the case may be, proxies or votes in support of such stockholder's nominee in contravention of the representations with respect thereto required by this Section 1.11.

(c) The chairman of any meeting shall have the power and duty to determine whether a nomination was made in accordance with the provisions of this Section 1.11 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination is made solicited (or is part of a group that solicited) or did not so solicit, as the case may be, proxies or votes in support of such stockholder’s nominee in compliance with the representations with respect thereto required by this Section 1.11), and if the chairman should determine that a nomination was not made in accordance with the provisions of this Section 1.11, the chairman shall so declare to the meeting and such nomination shall not be brought before the meeting.

(d) Except as otherwise required by law, nothing in this Section 1.11 shall obligate the corporation or the Board of Directors to include in any proxy statement or other stockholder communication distributed on behalf of the corporation or the Board of Directors information with respect to any nominee for director submitted by a stockholder.

(e) Notwithstanding the foregoing provisions of this Section 1.11, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the meeting to present a nomination, such nomination shall not be brought before the meeting, notwithstanding that proxies in respect of such nominee may have been received by the corporation. For purposes of this Section 1.11, to be considered a "qualified representative of the stockholder", a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a written instrument executed by such
stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such written instrument or electronic transmission, or a reliable reproduction of the written instrument or electronic transmission, at the meeting of stockholders.

(f) For purposes of this Section 1.11, “public disclosure” shall include 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 Exchange Act.

1.12 Notice of Business at Annual Meetings.

(a) At any annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (1) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (2) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (3) properly brought before the meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, (i) if such business relates to the nomination of a person for election as a director of the corporation, the procedures in Section 1.11 must be complied with and (ii) if such business relates to any other matter, the business must constitute a proper matter under Delaware law for stockholder action and the stockholder must (x) have given timely notice thereof in writing to the Secretary in accordance with the procedures in Section 1.12(b), (y) be a stockholder of record who is entitled to vote on such business on the date of the giving of such notice and on the record date for the determination of stockholders entitled to vote at such annual meeting and (z) be entitled to vote at such annual meeting.

(b) To be timely, a stockholder’s notice must be received in writing by the Secretary at the principal executive office of the corporation not less than 90 days nor more than 120 days 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 by more than 30 days, or delayed by more than 60 days, from the first anniversary of the preceding year’s annual meeting, or if no annual meeting was held in the preceding year, a stockholder’s notice must be
so received not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of (x) the 90th day prior to such
annual meeting and (y) the tenth day following the day on which notice of the date of such annual meeting was mailed or public disclosure of the date of such
annual meeting was made, whichever first occurs. In no event shall the adjournment or postponement of an annual meeting (or the public disclosure thereof)
commence a new time period (or extend any time period) for the giving of a stockholder’s notice.

The stockholder’s notice to the Secretary shall set forth: (A) as to each matter the stockholder proposes to bring before the annual meeting (1) a brief
description of the business desired to be brought before the annual meeting, (2) the text of the proposal (including the exact text of any resolutions proposed
for consideration and, in the event that such business includes a proposal to amend the bylaws, the exact text of the proposed amendment), and (3) the reasons
for conducting such business at the annual meeting, and (B) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the
proposal is being made (1) the name and address of such stockholder, as they appear on the corporation’s books, and of such beneficial owner, (2) the class
and series and number of shares of stock of the corporation that are, directly or indirectly, owned, beneficially or of record, by such stockholder and such
beneficial owner, (3) a description of any material interest of such stockholder or such beneficial owner and the respective affiliates and associates of, or
others acting in concert with, such stockholder or such beneficial owner in such business, (4) a description of any agreement, arrangement or understanding
between or among such stockholder and/or such beneficial owner and any other person or persons (including their names) in connection with the proposal of
such business or who may participate in the solicitation of proxies in favor of such proposal, (5) a description of any agreement, arrangement or
understanding (including any derivative or short positions, swaps, profit interests, options, warrants, convertible securities, stock appreciation or similar
rights, hedging transactions, and borrowed or loaned shares) that has been entered into by, or on behalf of, such stockholder or such beneficial owner, the
effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder
or such beneficial owner with respect to shares of stock of the corporation, (6) any other information relating to such stockholder and such beneficial owner
that would be required to be disclosed in a proxy statement or other filings required to be made
in connection with solicitations of proxies for the business proposed pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (7) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting and (8) a representation whether such stockholder and/or such beneficial owner intends or is part of a group that intends (x) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the corporation’s outstanding capital stock required to approve or adopt the proposal (and such representation shall be included in any such proxy statement and form of proxy) and/or (y) otherwise to solicit proxies or votes from stockholders in support of such proposal (and such representation shall be included in any such solicitation materials). Not later than 10 days after the record date for the meeting, the information required by Items (A)(3) and (B)(1)-(6) of the prior sentence shall be supplemented by the stockholder giving the notice to provide updated information as of the record date. Notwithstanding anything in these bylaws to the contrary, no business shall be conducted at any annual meeting of stockholders except in accordance with the procedures in this Section 1.12; provided that any stockholder proposal that complies with Rule 14a-8 of the proxy rules (or any successor provision) promulgated under the Exchange Act and is to be included in the corporation’s proxy statement for an annual meeting of stockholders shall be deemed to comply with the notice requirements of this Section 1.12. A stockholder shall not have complied with this Section 1.12(b) if the stockholder (or beneficial owner, if any, on whose behalf the proposal is made) solicits or does not solicit, as the case may be, proxies or votes in support of such stockholder’s proposal in contravention of the representations with respect thereto required by this Section 1.12.

(c) The chairman of any annual meeting shall have the power and duty to determine whether business was properly brought before the annual meeting in accordance with the provisions of this Section 1.12 (including whether the stockholder or beneficial owner, if any, on whose behalf the proposal is made solicited (or is part of a group that solicited) or did not so solicit, as the case may be, proxies or votes in support of such stockholder’s proposal in compliance with the representation with respect thereto required by this Section 1.12), and if the chairman should determine that business was not properly brought before the annual meeting in accordance with the provisions of this Section 1.12, the chairman shall so declare to the meeting and such business shall not be brought before the annual meeting.
(d) Except as otherwise required by law, nothing in this Section 1.12 shall obligate the corporation or the Board of Directors to include in any proxy statement or other stockholder communication distributed on behalf of the corporation or the Board of Directors information with respect to any proposal submitted by a stockholder.

(e) Notwithstanding the foregoing provisions of this Section 1.12, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting to present business, such business shall not be considered, notwithstanding that proxies in respect of such business may have been received by the corporation.

(f) For purposes of this Section 1.12, the terms “qualified representative of the stockholder” and “public disclosure” shall have the same meaning as in Section 1.11.

1.13 Conduct of Meetings.

(a) Unless otherwise provided by the Board of Directors, meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in the Chairman’s absence by the Vice Chairman of the Board, if any, or in the Vice Chairman’s absence by the Chief Executive Officer, or in the Chief Executive Officer’s absence by the President, or in the President’s absence by a Vice President, or in the absence of all of the foregoing persons by a chairman designated by the Board of Directors. The Secretary shall act as secretary of the meeting, but in the Secretary’s absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

(b) The Board of Directors may adopt by resolution such rules, regulations and procedures for the conduct of any meeting of stockholders of the corporation as it shall deem appropriate including, without limitation, such guidelines and procedures as it may deem appropriate regarding the participation by means of remote communication of stockholders and proxyholders not physically present at a meeting. Except to the extent inconsistent with such rules, regulations and procedures as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting and prescribe such rules, regulations and procedures and to
do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as shall be determined; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. 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 the rules of parliamentary procedure.

(c) The chairman of the meeting shall announce at the meeting when the polls for each matter to be voted upon at the meeting will be opened and closed. After the polls close, no ballots, proxies or votes or any revocations or changes thereto may be accepted.

(d) In advance of any meeting of stockholders, the Board of Directors, the Chairman of the Board, the Chief Executive Officer or the President shall appoint one or more inspectors of election to act at the meeting and make a written report thereof. One or more other persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is present, ready and willing to act at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Unless otherwise required by law, inspectors may be officers, employees or agents of the corporation. Each inspector, before entering upon the discharge of such inspector’s duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector’s ability. The inspector shall have the duties prescribed by law and shall take charge of the polls and, when the vote is completed, shall make a certificate of the result of the vote taken and of such other facts as may be required by law. Every vote taken by ballots shall be counted by a duly appointed inspector or duly appointed inspectors.
1.14 No Action by Consent in Lieu of a Meeting. Stockholders of the corporation may not take any action by written consent in lieu of a meeting.

**ARTICLE II**

**DIRECTORS**

2.1 General Powers. The business and affairs of the corporation shall be managed by or under the direction of a Board of Directors, who may exercise all of the powers of the corporation except as otherwise provided by law or the Certificate of Incorporation.

2.2 Number, Election and Qualification. The number of directors of the corporation shall be the number fixed by, or determined in the manner provided in, the Certificate of Incorporation. Election of directors need not be by written ballot. Directors need not be stockholders of the corporation.

2.3 Chairman of the Board; Vice Chairman of the Board. The Board of Directors may appoint from its members a Chairman of the Board and a Vice Chairman of the Board, neither of whom need be an employee or officer of the corporation. If the Board of Directors appoints a Chairman of the Board, such Chairman shall perform such duties and possess such powers as are assigned by the Board of Directors and, if the Chairman of the Board is also designated as the corporation’s Chief Executive Officer, shall have the powers and duties of the Chief Executive Officer prescribed in Section 3.7 of these bylaws. If the Board of Directors appoints a Vice Chairman of the Board, such Vice Chairman shall perform such duties and possess such powers as are assigned by the Board of Directors or the Chairman of the Board. Unless otherwise provided by the Board of Directors, the Chairman of the Board or, in the Chairman’s absence, the Vice Chairman of the Board, if any, shall preside at all meetings of the Board of Directors.

2.4 Terms of Office. Directors shall be elected for such terms and in the manner provided by the Certificate of Incorporation and applicable law. The term of each director shall continue until the election and qualification of his or her successor and be subject to his or her earlier death, resignation or removal.
2.5 **Quorum.** The greater of (a) a majority of the directors at any time in office and (b) one-third of the number of directors established by the Board of Directors pursuant to the Certificate of Incorporation shall constitute a quorum of the Board of Directors. If at any meeting of the Board of Directors there shall be less than such a quorum, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present.

2.6 **Action at Meeting.** Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number is required by law or by the Certificate of Incorporation.

2.7 **Removal.** Directors of the corporation may be removed in the manner specified by the Certificate of Incorporation and applicable law.

2.8 **Vacancies.** Any vacancy or newly-created directorship on the Board of Directors, however occurring, shall be filled in the manner specified by the Certificate of Incorporation and applicable law.

2.9 **Resignation.** Any director may resign by delivering a resignation in writing or by electronic transmission to the corporation at its principal executive office or to the Chairman of the Board, the Chief Executive Officer, the President or the Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some later time or upon the happening of some later event.

2.10 **Regular Meetings.** Regular meetings of the Board of Directors may be held without notice at such time and place as shall be determined from time to time by the Board of Directors; provided that any director who is absent when such a determination is made shall be given notice of the determination. A regular meeting of the Board of Directors may be held without notice immediately after and at the same place as the annual meeting of stockholders.

2.11 **Special Meetings.** Special meetings of the Board of Directors may be held at any time and place designated in a call by the Chairman of the Board, the Chief Executive Officer, the President, two or more directors, or by one director in the event that there is only a single director in office.
2.12 **Notice of Special Meetings.** Notice of the date, place and time of any special meeting of directors shall be given to each director by the Secretary or by the officer or one of the directors calling the meeting. Notice shall be duly given to each director (a) in person, by telephone or by electronic transmission at least 24 hours in advance of the meeting, (b) by delivering written notice by hand to such director’s last known business or home address at least 48 hours in advance of the meeting, or (c) by sending written notice by first-class mail to such director’s last known business or home address at least 72 hours in advance of the meeting. A notice or waiver of notice of a meeting of the Board of Directors need not specify the purposes of the meeting.

2.13 **Meetings by Conference Communications Equipment.** Directors may participate in meetings of the Board of Directors or any committee thereof 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 by such means shall constitute presence in person at such meeting.

2.14 **Action by Consent.** 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 to the action in writing or by electronic transmission, and the written consents or electronic 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.

2.15 **Committees.** The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation with such lawfully delegable powers and duties as the Board of Directors thereby confers, to serve at the pleasure of the Board of Directors. 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. In the absence or disqualification of a member of a committee, the member or
members of the committee present at any meeting and not disqualified from voting, whether or not such member or members 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. Any such committee, to the extent provided in the resolution of the Board of Directors and subject to the provisions of law, 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. Each such committee shall keep minutes and make such reports as the Board of Directors may from time to time request. Except as the Board of Directors may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by the directors or in such rules, its business shall be conducted as nearly as possible in the same manner as is provided in these bylaws for the Board of Directors. Except as otherwise provided in the Certificate of Incorporation, these bylaws, or the resolution of the Board of Directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

2.16 Compensation of Directors. Directors may be paid such compensation for their services and such reimbursement for expenses of attendance at meetings as the Board of Directors may from time to time determine. No such payment shall preclude any director from serving the corporation or any of its parent or subsidiary entities in any other capacity and receiving compensation for such service.

ARTICLE III

OFFICERS

3.1 Titles. The officers of the corporation shall consist of a Chief Executive Officer, a President, a Secretary, a Treasurer and such other officers with such other titles as the Board of Directors shall determine, including one or more Vice Presidents, Assistant Treasurers and Assistant Secretaries. The Board of Directors may appoint such other officers as it may deem appropriate.
3.2 Election. The Chief Executive Officer, President, Treasurer and Secretary shall be elected annually by the Board of Directors at its first meeting following the annual meeting of stockholders. Other officers may be appointed by the Board of Directors at such meeting or at any other meeting.

3.3 Qualification. No officer need be a stockholder. Any two or more offices may be held by the same person.

3.4 Tenure. Except as otherwise provided by law, by the Certificate of Incorporation or by these bylaws, each officer shall hold office until such officer’s successor is elected and qualified, unless a different term is specified in the resolution electing or appointing such officer, or until such officer’s earlier death, resignation or removal.

3.5 Resignation and Removal. Any officer may resign by delivering a resignation in writing or by electronic transmission to the corporation at its principal executive office or to the Chief Executive Officer, the President or the Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some later time or upon the happening of some later event. Any officer may be removed at any time, with or without cause, by vote of a majority of the directors then in office. Except as the Board of Directors may otherwise determine, no officer who resigns or is removed shall have any right to any compensation as an officer for any period following such officer’s resignation or removal, or any right to damages on account of such removal, whether such officer’s compensation be by the month or by the year or otherwise, unless such compensation is expressly provided for in a duly authorized written agreement with the corporation.

3.6 Vacancies. The Board of Directors may fill any vacancy occurring in any office for any reason and may, in its discretion, leave unfilled for such period as it may determine any offices. Each such successor shall hold office for the unexpired term of such officer’s predecessor and until a successor is elected and qualified, or until such officer’s earlier death, resignation or removal.
3.7 **President; Chief Executive Officer.** Unless the Board of Directors has designated another person as the corporation’s Chief Executive Officer, the President shall be the Chief Executive Officer of the corporation. The Chief Executive Officer shall have general charge and supervision of the business of the corporation subject to the direction of the Board of Directors, and shall perform all duties and have all powers that are commonly incident to the office of the chief executive or that are delegated to such officer by the Board of Directors. The President shall perform such other duties and shall have such other powers as the Board of Directors or the Chief Executive Officer (if the President is not the Chief Executive Officer) may from time to time prescribe. In the event of the absence, inability or refusal to act of the Chief Executive Officer or the President (if the President is not the Chief Executive Officer), the Vice President (or if there shall be more than one, the Vice Presidents in the order determined by the Board of Directors) shall perform the duties of the Chief Executive Officer and when so performing such duties shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer.

3.8 **Vice Presidents.** Each Vice President shall perform such duties and possess such powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe. The Board of Directors may assign to any Vice President the title of Executive Vice President, Senior Vice President or any other title selected by the Board of Directors.

3.9 **Secretary and Assistant Secretaries.** The Secretary shall perform such duties and shall have such powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe. In addition, the Secretary shall perform such duties and have such powers as are incident to the office of the secretary, including without limitation the duty and power to give notices of all meetings of stockholders and special meetings of the Board of Directors, to attend all meetings of stockholders and the Board of Directors and keep a record of the proceedings, to maintain a stock ledger and prepare lists of stockholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents.

Any Assistant Secretary shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Secretary.
In the absence of the Secretary or any Assistant Secretary at any meeting of stockholders or directors, the chairman of the meeting shall designate a temporary secretary to keep a record of the meeting.

3.10 Treasurer and Assistant Treasurers. The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned by the Board of Directors or the Chief Executive Officer. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of treasurer, including without limitation the duty and power to keep and be responsible for all funds and securities of the corporation, to deposit funds of the corporation in depositories selected in accordance with these bylaws, to disburse such funds as ordered by the Board of Directors, to make proper accounts of such funds, and to render as required by the Board of Directors statements of all such transactions and of the financial condition of the corporation.

The Assistant Treasurers shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer or the Treasurer may from time to time prescribe. In the event of the absence, inability or refusal to act of the Treasurer, the Assistant Treasurer (or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Treasurer.

3.11 Salaries. Officers of the corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board of Directors.

3.12 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.
ARTICLE IV

CAPITAL STOCK

4.1 Issuance of Stock. Subject to the provisions of the Certificate of Incorporation, the whole or any part of any unissued balance of the authorized capital stock of the corporation or the whole or any part of any shares of the authorized capital stock of the corporation held in the corporation’s treasury may be issued, sold, transferred or otherwise disposed of by vote of the Board of Directors in such manner, for such lawful consideration and on such terms as the Board of Directors may determine.

4.2 Stock Certificates; Uncertificated Shares. The shares of the corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of the corporation’s stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Every holder of stock of the corporation represented by certificates shall be entitled to have a certificate, in such form as may be prescribed by law and by the Board of Directors, representing the number of shares held by such holder registered in certificate form. Each such certificate shall be signed in a manner that complies with Section 158 of the General Corporation Law of the State of Delaware.

Each certificate for shares of stock that are subject to any restriction on transfer pursuant to the Certificate of Incorporation, these bylaws, applicable securities laws or any agreement among any number of stockholders or among such holders and the corporation shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction.

If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of each certificate representing shares of such class or series of stock, provided that in lieu of the foregoing requirements there may be set forth on the face or back of each certificate
representing shares of such class or series of stock a statement that the corporation will furnish without charge to each stockholder who so requests a copy of
the full text of the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the
qualifications, limitations or restrictions of such preferences and/or rights.

Within a reasonable time after the issuance or transfer of uncertificated shares, the registered owner thereof shall be given a notice, in writing or by
electronic transmission, containing the information required to be set forth or stated on certificates pursuant to Sections 151, 156, 202(a) or 218(a) of the
General Corporation Law of the State of Delaware or, with respect to Section 151 of the General Corporation Law of the State of Delaware, a statement that
the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or
other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

4.3 Transfers. Shares of stock of the corporation shall be transferable in the manner prescribed by law and in these bylaws. Transfers of shares of stock
of the corporation shall be made only on the books of the corporation or by transfer agents designated to transfer shares of stock of the corporation. Subject to
applicable law, shares of stock represented by certificates shall be transferred only on the books of the corporation by the surrender to the corporation or its
transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney properly executed,
and with such proof of authority or the authenticity of signature as the corporation or its transfer agent may reasonably require. Uncertificated shares may be
transferred by delivery of a written assignment or power of attorney properly executed, and with such proof of authority or the authenticity of signature as the
corporation or its transfer agent may reasonably require. Except as may be otherwise required by law, by the Certificate of Incorporation or by these bylaws,
the corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of
dividends and the right to vote with respect to such stock, regardless of any transfer, pledge or other disposition of such stock until the shares have been
transferred on the books of the corporation in accordance with the requirements of these bylaws.

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4.4 Lost, Stolen or Destroyed Certificates. The corporation may issue a new certificate of stock in place of any previously issued certificate alleged to have been lost, stolen or destroyed, upon such terms and conditions as the corporation may prescribe, including the presentation of reasonable evidence of such loss, theft or destruction and the giving of such indemnity and posting of such bond as the corporation may require for the protection of the corporation or any transfer agent or registrar.

4.5 Regulations. The issue, transfer, conversion and registration of shares of stock of the corporation shall be governed by such other regulations as the Board of Directors may establish.

ARTICLE V

GENERAL PROVISIONS

5.1 Fiscal Year. Except as from time to time otherwise designated by the Board of Directors, the fiscal year of the corporation shall begin on the first day of January of each year and end on the last day of December in each year.

5.2 Corporate Seal. The corporate seal shall be in such form as shall be approved by the Board of Directors.

5.3 Record Date for Purposes Other Than Stockholder Meetings. In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action (other than with respect to determining stockholders entitled to notice of or to vote at a meeting of stockholders, which is addressed in Section 1.4 of these bylaws), the Board of Directors may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall not be more than 60 days prior to such action. If no such 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.
5.4 **Waiver of Notice.** Whenever notice is required to be given by law, by the Certificate of Incorporation or by these bylaws, a written waiver signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether provided before, at or after the time of the event for which notice is to be given, shall be deemed equivalent to notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in any such waiver. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person 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.

5.5 **Voting of Securities.** Except as the Board of Directors may otherwise designate, the Chief Executive Officer, the President or the Treasurer may waive notice of, vote, or appoint any person or persons to vote, on behalf of the corporation at, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact for this corporation (with or without power of substitution) at, any meeting of stockholders or securityholders of any other entity, the securities of which may be held by this corporation, or with respect to the execution of any written or electronic consent in the name of the corporation as a holder of such securities.

5.6 **Evidence of Authority.** A certificate by the Secretary, or an Assistant Secretary, or a temporary Secretary, as to any action taken by the stockholders, directors, a committee or any officer or representative of the corporation shall as to all persons who rely on the certificate in good faith be conclusive evidence of such action.

5.7 **Certificate of Incorporation.** All references in these bylaws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the corporation, as amended and/or restated and in effect from time to time.

5.8 **Severability.** Any determination that any provision of these bylaws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these bylaws.
5.9 **Pronouns.** All pronouns used in these bylaws shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

**ARTICLE VI**

**AMENDMENTS**

These bylaws may be altered, amended or repealed, in whole or in part, or new bylaws may be adopted by the Board of Directors or by the stockholders as provided in the Certificate of Incorporation.
This certificate is transferable in the books of the Company in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed. This Certificate is not valid unless countersigned and registered by the Transfer Agent and Registrar.

Witness the facsimile seal of the Company and the facsimile signatures of its duly authorized officers.

Dated: [Date]

[Signature]

[Title]

CFO

AUTHORIZED SIGNATURE

[Transfer Agent and Registrar]

1234567890/1234567890
The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entirety
JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - Uniform Gift to Minors Act
UNIF TRF MIN ACT - Uniform Transfer to Minors Act

Additional abbreviations may also be used though not in the above list.

For value received, ________________________________________________________________________________, hereby sell, assign and transfer unto ____________________________, the undersigned, the shares of the common stock represented by the within Certificate, and do hereby irrevocably constitute and appoint ____________________________, Attorney, to transfer the said stock on the books of the within-named Company with full power of substitution in the premises.

Dated: ____________________________, 20____

Signature: ____________________________

Signature: ____________________________

Notice: The signature to this assignment must correspond with the name as written upon the face of the certificate, in every particular, without alteration or enlargement, or any change whatever.

The IRS requires that the named transfer agent ("TA") report the cost basis of certain shares or units acquired after January 1, 2011. If your shares or units are covered by the legislation, and you request to sell or transfer the shares or units using a specific cost basis calculation method, then we have predefined as you requested. If you did not specify a specific cost basis calculation method, then we have defaulted to the IRS "FIRE-002" method. Please consult your tax advisor if you have any questions concerning how your cost basis is calculated.

If you do not keep in contact with the issuer or do not have any activity in your account for the time period specified by state law, your property may become subject to state unclaimed property laws and transferred to the appropriate state.
CONSTELLATION PHARMACEUTICALS, INC.

FIFTH AMENDED AND RESTATED

INVESTOR RIGHTS AGREEMENT

March 22, 2018
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This Agreement dated as of March 22, 2018 is entered into by and among Constellation Pharmaceuticals, Inc., a Delaware corporation (the “Company”), and the individuals and entities listed on Exhibit A attached hereto (the “Purchasers”).

Recitals

WHEREAS, certain of the Purchasers are parties to that certain Fourth Amended and Restated Investor Rights Agreement, dated as of September 13, 2016, by and among the Company and such Purchasers (the “Series E-1 Investor Rights Agreement”);

WHEREAS, the Corporation and certain of the Purchasers (the “Series F Purchasers”) have entered into that certain Series F Convertible Preferred Stock Purchase Agreement (the “Series F Preferred Stock Purchase Agreement”), in connection with the issuance and sale by the Company to the Series F Purchasers of shares of the Company’s Series F Convertible Preferred Stock, $0.001 par value per share (“Series F Preferred Stock”);

WHEREAS, the Series F Purchasers have required, as a condition to the purchase of the Series F Preferred Stock, pursuant to the Series F Preferred Stock Purchase Agreement that they be granted rights with respect to such shares regarding (i) the registration of shares of capital stock of the Company under the Securities Act (as defined below) and (ii) certain Purchasers’ rights of first refusal with respect to certain issuances of capital securities of the Company;

WHEREAS, pursuant to Section 7.6 of the Series E-1 Investor Rights Agreement, amendment of the Series E-1 Investor Rights Agreement requires the written consent of the Company and Purchasers (as defined in the Series E-1 Investor Rights Agreement) holding Shares (as defined in the Series E-1 Investor Rights Agreement) representing at least a majority of the voting power of all Shares (as defined in the Series E-1 Investor Rights Agreement) then held by Purchasers (assuming the exercise of all Warrants (as defined in the Series E-1 Investor Rights Agreement) for shares of Common Stock); and

WHEREAS, the signatories of this Agreement hold the requisite number of Shares (as defined in the Series E-1 Investor Rights Agreement) to effect this amendment and restatement of the Series E-1 Investor Rights Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the parties hereto agree that the Series E-1 Investor Rights Agreement be, and hereby is, amended and restated to read as follows:


As used in this Agreement, the following terms shall have the following respective meanings:

“Affiliated Party,” means, with respect to any Purchaser, any person or entity which, directly or indirectly, controls, is controlled by or is under common control with such Purchaser, including, without limitation, any general partner, officer or director of such Purchaser and any venture capital fund now or hereafter existing which is controlled by one or more general partners of, or shares the same management company as, such Purchaser.
“Available Undersubscription Amount” means the difference between the total of all of the Basic Amounts available for purchase by Major Investors pursuant to Section 3.1 and the Basic Amounts subscribed for pursuant to Section 3.1.

“Basic Amount” means, with respect to a Major Investor, its pro rata portion of the Offered Securities determined by multiplying the number of Offered Securities by a fraction, the numerator of which is the aggregate number of shares of Common Stock issued or issuable upon conversion of all Shares then held by such Major Investor, and the denominator of which is the total number of shares of Common Stock then outstanding (giving effect to the conversion into Common Stock of all outstanding shares of convertible preferred stock, and all shares of Common Stock issuable upon the exercise of outstanding Warrants).

“Board of Directors” means the Board of Directors of the Company.


“Commission” means the Securities and Exchange Commission, or any other federal agency at the time administering the Securities Act.

“Common Stock” means the common stock, $0.0001 par value per share, of the Company.

“Company” has the meaning ascribed to it in the introductory paragraph hereto.

“Company Sale” means: (a) a merger or consolidation in which (i) the Company is a constituent party, or (ii) a Company Subsidiary is a constituent party and the Company issues shares of its capital stock pursuant to such merger or consolidation, except in the case of either clause (i) or (ii) any such merger or consolidation involving the Company or a Company Subsidiary in which the shares of capital stock of the Company outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock which represent, immediately following such merger or consolidation, more than 50% by voting power of the capital stock of (A) the surviving or resulting corporation or (B) 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; (b) the sale, lease, transfer, exclusive license or other disposition with or to a Public Company, in a single transaction or series of related transactions, by the Company or a Company Subsidiary of all or substantially all the assets of the Company and the Company Subsidiaries taken as a whole (except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned Company Subsidiary); or (c) the sale or transfer, in a single transaction or series of related transactions, by the stockholders of the Company of more than 50% by voting power of the then-outstanding capital stock of the Company to any Public Company.
“Company Subsidiary” means any corporation, partnership, trust, limited liability company or other non-corporate business enterprise in which the Company (or another Company Subsidiary) holds stock or other ownership interests representing (a) more than 50% of the voting power of all outstanding stock or ownership interests of such entity or (b) the right to receive more than 50% of the net assets of such entity available for distribution to the holders of outstanding stock or ownership interests upon a liquidation or dissolution of such entity.

“Confidential Information” means any information that is labeled as confidential, proprietary or secret which a Purchaser obtains from the Company pursuant to financial statements, reports and other materials provided by the Company to such Purchaser pursuant to this Agreement or pursuant to visitation or inspection rights granted hereunder.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, or any successor federal statute, and the rules and regulations of the Commission issued under such Act, as they each may, from time to time, be in effect.

“Indemnified Party” means a party entitled to indemnification pursuant to Section 2.5.

“Indemnifying Party” means a party obligated to provide indemnification pursuant to Section 2.5.

“Initial Public Offering” means the initial underwritten public offering of shares of Common Stock pursuant to an effective Registration Statement.

“Initiating Holders” shall mean any Purchaser or Purchasers who in the aggregate hold more than fifty percent (50%) of the outstanding Registrable Shares.

“Major Investor” shall mean, collectively, the Non-Strategic Major Investors and the Strategic Major Investors.

“Non-Strategic Major Investor” shall mean any Purchaser, other than a Strategic Major Investor, who continues to hold an aggregate of at least 500,000 Shares (subject to appropriate adjustment for stock splits, stock dividends, recapitalizations, and similar events occurring after the date of this Agreement).

“Notice of Acceptance” means a written notice from a Major Investor to the Company containing the information specified in Section 3.1(b).

“Offer” means a written notice of any proposed or intended issuance, sale or exchange of Offered Securities containing the information specified in Section 3.1(a).

“Offered Securities” means (a) any shares of its Common Stock, (b) any other equity securities of the Company, including, without limitation, shares of preferred stock, (c) any option, warrant or other right to subscribe for, purchase or otherwise acquire any equity securities of the Company, or (d) any debt securities convertible into capital stock of the Company.
“Other Holders” means holders of securities of the Company (other than Purchasers) who are entitled, by contract with the Company, to have securities included in a Registration Statement.

“Preferred Director” means a member of the Board of Directors: (a) designated solely by The Column Group, L.P, Third Rock Ventures, L.P., Venrock Associates V, L.P., Venrock Partners V, L.P. and Venrock Entrepreneurs Fund V, L.P. (collectively, “Venrock Funds”), or (b) holders of a majority of the outstanding Series F Preferred Shares subject to approval by the Board of Directors, each pursuant to that certain Fifth Amended and Restated Stockholders’ Voting Agreement, dated of even date herewith, by and among the Company and the Stockholders (as defined therein), as may amended or restated from time to time.

“Preferred Shares” means the Series A Preferred Shares, Series B Preferred Shares, Series D Preferred Shares, Series E Preferred Shares, Series E-1 Preferred Shares and Series F Preferred Shares.

“Prospectus” means the prospectus included in any Registration Statement, as amended or supplemented by an amendment or prospectus supplement, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

“Public Company” means any company subject to the reporting provisions of the Exchange Act.

“Qualified IPO” means an Initial Public Offering prior to which or in connection with which all outstanding Preferred Shares have been or will be converted to Common Stock.

“Purchaser” has the meaning ascribed to it in the introductory paragraph hereto.

“Refused Securities” means those Offered Securities as to which a Notice of Acceptance has not been given by the Major Investors pursuant to Section 3.1.

“Registrable Shares” means (a) the shares of Common Stock issued or issuable upon conversion of the Shares, (b) any other shares of Common Stock, and any shares of Common Stock issued or issuable upon the conversion or exercise of any other securities, acquired by the Purchasers pursuant to Section 3 of this Agreement, the Series F Preferred Stock Purchase Agreement, or the Right of First Refusal and Co-Sale Agreement, as each may be amended and/or restated from time to time, and (c) any other shares of Common Stock issued in respect of such shares (because of stock splits, stock dividends, reclassifications, recapitalizations or similar events); provided, however, that shares of Common Stock which are Registrable Shares shall cease to be Registrable Shares (i) upon any sale pursuant to a Registration Statement or Rule 144 under the Securities Act or (ii) upon any sale in any manner to a person or entity which is not entitled, pursuant to Section 6, to the rights under this Agreement or (iii) at such time, following an Initial Public Offering, as they become eligible for sale pursuant to Rule 144(b)(1)(i) under the Securities Act. Wherever reference is made in this Agreement to a request or consent of holders of a certain percentage of Registrable Shares, the determination of such percentage shall include shares of Common Stock issuable upon conversion of the Shares (including Shares issuable upon the exercise of outstanding Warrants) even if such conversion has not been effected.
“Registration Expenses” means all expenses incurred by the Company in complying with the provisions of Section 2, including, without limitation, all registration and filing fees, exchange listing fees, printing expenses, fees and expenses of counsel for the Company, fees and expenses of one special counsel selected by the Selling Stockholders to represent the Selling Stockholders, state Blue Sky fees and expenses, and the expense of any special audits incident to or required by any such registration, but excluding underwriting discounts, selling commissions and the fees and expenses of Selling Stockholders’ own counsel (other than the special counsel selected to represent all Selling Stockholders).

“Registration Statement” means a registration statement filed by the Company with the Commission for a public offering and sale of securities of the Company (other than a registration statement on Form S-8 or Form S-4, or their successors, or any other form for a similar limited purpose, or any registration statement covering only securities proposed to be issued in exchange for securities or assets of another corporation).

“Right of First Refusal and Co-Sale Agreement” means the Fifth Amended and Restated Right of First Refusal and Co-Sale Agreement, dated of even date herewith, by and among the Company and the Purchasers (as defined therein) and the Founders (as defined therein).

“Rule 144A Information” has the meaning ascribed to it in Section 2.11(c) hereto.

“Second Series B Purchase Agreement” means the Second Series B Preferred Stock and Warrant Purchase Agreement, dated May 24, 2011, by and between the Company and the Purchasers listed on Exhibit A thereto.

“Securities Act” means the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations of the Commission issued under such Act, as they each may, from time to time, be in effect.

“Selling Stockholder” means any Purchaser owning Registrable Shares included in a Registration Statement.

“Series A Preferred Shares” means the shares of Series A Convertible Preferred Stock, $0.001 par value per share, of the Company acquired by certain of the Purchasers pursuant to the Series A Convertible Preferred Stock Purchase Agreement, dated as of April 16, 2008, by and among the Company and the Purchasers (as defined therein).

“Series B Preferred Shares” means the shares of Series B Convertible Preferred Stock, $0.001 par value per share, of the Company acquired by certain of the Purchasers pursuant to (i) the Series B Convertible Preferred Stock Purchase Agreement, dated as of May 24, 2010, by and among the Company and the Purchasers (as defined therein) and (ii) the Second Series B Purchase Agreement.
“Series D Preferred Shares” means the shares of Series D Convertible Preferred Stock, $0.001 par value per share, of the Company acquired by certain of the Purchasers pursuant to the Series D Convertible Preferred Stock Purchase Agreement, dated as of August 5, 2014, by and among the Company and the Purchasers (as defined therein).

“Series E Preferred Shares” means the shares of Series E Convertible Preferred Stock, $0.001 par value per share, of the Company acquired by certain of the Purchasers pursuant to the Series E Convertible Preferred Stock Purchase Agreement, dated as of November 30, 2015, by and among the Company and the Purchasers (as defined therein).

“Series E-1 Investor Rights Agreement” has the meaning ascribed to it in the recitals hereto.

“Series E-1 Preferred Shares” means the shares of Series E-1 Convertible Preferred Stock, $0.001 par value per share, of the Company acquired by certain of the Purchasers pursuant to the Series E-1 Convertible Preferred Stock Purchase Agreement, dated as of September 13, 2016, by and among the Company and the Purchasers (as defined therein).

“Series F Preferred Stock Purchase Agreement” has the meaning ascribed to it in the recitals hereto.

“Series F Preferred Shares” means the shares of Series F Preferred Stock issued under the Series F Preferred Stock Purchase Agreement.

“Series F Preferred Stock” has the meaning ascribed to it in the recitals hereto.

“Series F Purchasers” has the meaning ascribed to it in the recitals hereto.

“Shares” means the Series A Preferred Shares, the Series B Preferred Shares, the Series D Preferred Shares, the Series E Preferred Shares, the Series E-1 Preferred Shares, the Series F Preferred Shares, and the shares of Common Stock issuable upon exercise of the Warrants.

“Strategic Major Investor” shall mean any Purchaser that (i) is, or is investing on behalf of, a pharmaceutical, biotechnology or medical device company and (ii) is listed on Exhibit B hereto, so long as the investor continues to hold an aggregate of at least 500,000 Shares (subject to appropriate adjustment for stock splits, stock dividends, recapitalizations, and similar events occurring after the date of this Agreement).

“Undersubscription Amount” means, with respect to a Major Investor, any additional portion of the Offered Securities attributable to the Basic Amounts of other Major Investors as such Major Investor indicates it will purchase or acquire should the other Major Investors subscribe for less than their Basic Amounts.

“Warrants” means the warrants to purchase Common Stock issued pursuant to the Second Series B Purchase Agreement.
2. Registration Rights.

2.1 Required Registrations.

(a) At any time after the earlier to occur of (i) five years after the date of this Agreement and (ii) six months after the closing of an Initial Public Offering, an Initiating Holder or Initiating Holders may request, in writing, that the Company effect a registration on Form S-1 (or any successor form) of Registrable Shares having an aggregate value of at least $5,000,000 (based on the market price or fair value as determined by the Board of Directors in its sole discretion on the date of such request).

(b) At any time after the Company becomes eligible to file a Registration Statement on Form S-3 (or any successor form relating to secondary offerings), an Initiating Holder or Initiating Holders or any Purchaser or Purchasers that in the aggregate hold(s) Registrable Shares having an aggregate value of at least $25 million may request, in writing, that the Company effect the registration on Form S-3 (or such successor form), of Registrable Shares having an aggregate value of at least $1,000,000 (based on the public market price on the date of such request).

(c) Upon receipt of any request for registration pursuant to this Section 2, the Company shall promptly give written notice of such proposed registration to all other Purchasers. Such Purchasers shall have the right, by giving written notice to the Company within 30 days after the Company provides its notice, to elect to have included in such registration such of their Registrable Shares as such Purchasers may request in such notice of election, subject in the case of an underwritten offering to the terms of Section 2.1(d). Thereupon, the Company shall, as expeditiously as possible, use commercially reasonable efforts to effect the registration on an appropriate registration form of all Registrable Shares which the Company has been requested to so register; provided, however, that in the case of a registration requested under Section 2.1(b), the Company will only be obligated to effect such registration on Form S-3 (or any successor form).

(d) If the Initiating Holders intend to distribute the Registrable Shares covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Section 2.1(a) or (b), as the case may be, and the Company shall include such information in its written notice referred to in Section 2.1(c). In such event, (i) the right of any other Purchaser to include its Registrable Shares in such registration pursuant to Section 2.1(a) or (b), as the case may be, shall be conditioned upon such other Purchaser’s participation in such underwriting on the terms set forth herein, and (ii) all Purchasers including Registrable Shares in such registration shall enter into an underwriting agreement upon customary terms with the underwriter or underwriters managing the offering. If any Purchaser who has requested inclusion of its Registrable Shares in such registration as provided above disapproves of the terms of the underwriting, such Purchaser may elect, by written notice to the Company, to withdraw its Registrable Shares from such Registration Statement and underwriting. If the Company desires that any officers or directors of the Company holding securities of the Company be included in any registration for an underwritten offering requested pursuant to Section 2.1 or if Other Holders request such inclusion, the Company may include the securities of such officers, directors and Other Holders in such registration and underwriting on the terms set forth herein applicable to the Purchasers. If the managing underwriter advises the Company in writing that marketing factors require a limitation on the number of shares to be
underwritten, the shares held by officers or directors of the Company and by Other Holders (other than Registrable Shares) shall be excluded from such Registration Statement and underwriting to the extent deemed advisable by the managing underwriter, and if a further reduction of the number of shares is required, the number of shares that may be included in such Registration Statement and underwriting shall be allocated among all Purchasers requesting registration in proportion, as nearly as practicable, to the respective number of Registrable Shares held by them on the date of the request for registration made by the Initiating Holders pursuant to Section 2.1(a) or (b), as the case may be. If any such stockholder would thus be entitled to include more shares than such stockholder requested to be registered, the excess shall be allocated among other participating stockholders pro rata in the manner described in the preceding sentence. Notwithstanding the foregoing, no such reduction shall reduce the value of the Registrable Shares of the Initiating Holders included in such registration below twenty five percent (25%) of the total value of securities included in such registration, unless such offering is the Company's Initial Public Offering and such registration does not include shares of any other selling stockholders. If the managing underwriter has not limited the number of Registrable Shares or other securities to be underwritten, the Company may include securities for its own account in such registration if the managing underwriter so agrees and if the number of Registrable Shares and other securities which would otherwise have been included in such registration and underwriting will not thereby be limited.

(e) The Company shall not be required to effect more than three registrations pursuant to Section 2.1(a) or more than two registrations in any twelve-month period pursuant to Section 2.1(b). In addition, the Company shall not be required to effect any registration within six months after the effective date of the Registration Statement relating to the Initial Public Offering. For purposes of this Section 2.1(e), a Registration Statement shall not be counted until such time as such Registration Statement has been declared effective by the Commission (unless the Initiating Holders withdraw their request for such registration (other than as a result of information concerning the business or financial condition of the Company which is made known to the Purchasers after the date on which such registration was requested) and elect not to pay the Registration Expenses therefor pursuant to Section 2.4). For purposes of this Section 2.1(e), a Registration Statement shall not be counted if, as a result of an exercise of the underwriter’s cut-back provisions, less than 80% of the total number of Registrable Shares that Purchasers have requested to be included in such Registration Statement are so included.

(f) If at the time of any request to register Registrable Shares by Initiating Holders pursuant to this Section 2.1, the Company is engaged or has plans to engage in a registered public offering or is engaged in any other activity which, in the good faith determination of the Board of Directors, would be adversely affected by the requested registration, then the Company may at its option direct that such request be delayed for a period not in excess of 30 days from the date of such request, such right to delay a request to be exercised by the Company not more than once in any 12-month period.

2.2 Incidental Registration.

(a) Whenever the Company proposes to file a Registration Statement covering shares of Common Stock (other than a Registration Statement filed pursuant to Section 2.1) at any time and from time to time, it will, prior to such filing, give written notice to all
Purchasers of its intention to do so. Upon the written request of a Purchaser or Purchasers given within 20 days after the Company provides such notice (which request shall state the intended method of disposition of such Registrable Shares), the Company shall use commercially reasonable efforts to cause all Registrable Shares which the Company has been requested by such Purchaser or Purchasers to register to be registered under the Securities Act to the extent necessary to permit their sale or other disposition in accordance with the intended methods of distribution specified in the request of such Purchaser or Purchasers; provided that the Company shall have the right to postpone or withdraw any registration effected pursuant to this Section 2.2, prior to the effective date of such registration, without obligation to any Purchaser. The expenses of any registration withdrawn pursuant to this Section 2.2(a) shall be borne by the Company in accordance with Section 2.4.

(b) If the registration for which the Company gives notice pursuant to Section 2.2(a) is a registered public offering involving an underwriting, the Company shall so advise the Purchasers as a part of the written notice given pursuant to Section 2.2(a). In such event, (i) the right of any Purchaser to include its Registrable Shares in such registration pursuant to this Section 2.2 shall be conditioned upon such Purchaser's participation in such underwriting on the terms set forth herein and (ii) all Purchasers including Registrable Shares in such registration shall enter into an underwriting agreement upon customary terms with the underwriter or underwriters selected for the underwriting by the Company. If any Purchaser who has requested inclusion of its Registrable Shares in such registration as provided above disapproves of the terms of the underwriting, such person may elect, by written notice to the Company, to withdraw its shares from such Registration Statement and underwriting. If the managing underwriter advises the Company in writing that marketing factors require a limitation on the number of shares to be underwritten, the shares held by holders of securities of the Company other than Purchasers and Other Holders shall be excluded from such Registration Statement and underwriting to the extent deemed advisable by the managing underwriter, and, if a further reduction of the number of shares is required, the number of shares that may be included in such Registration Statement and underwriting shall be allocated among all Purchasers and Other Holders requesting registration in proportion, as nearly as practicable, to the respective number of shares of Common Stock (on an as-converted basis) held by them on the date the Company gives the notice specified in Section 2.2(a); provided that, unless such registration is in connection with the Company’s Initial Public Offering, the number of Registrable Shares permitted to be included therein shall be at least 25% of the securities included therein (based on aggregate market values). If any Purchaser or Other Holder would thus be entitled to include more shares than such holder requested to be registered, the excess shall be allocated among other requesting Purchasers and Other Holders pro rata in the manner described in the preceding sentence.

(c) Notwithstanding the foregoing, the Company shall not be required, pursuant to this Section 2.2, to include any Registrable Shares in a Registration Statement (other than in the Initial Public Offering) if such Registrable Shares can then be sold pursuant to Rule 144(b)(1)(i) under the Securities Act.
2.3 Registration Procedures.

(a) If and whenever the Company is required by the provisions of this Agreement to use commercially reasonable efforts to effect the registration of any Registrable Shares under the Securities Act, the Company shall:

(i) file with the Commission a Registration Statement with respect to such Registrable Shares and use commercially reasonable efforts to cause that Registration Statement to become effective as soon as possible;

(ii) as expeditiously as possible prepare and file with the Commission any amendments and supplements to the Registration Statement and the prospectus included in the Registration Statement as may be necessary to comply with the provisions of the Securities Act (including the anti-fraud provisions thereof) and to keep the Registration Statement effective for 12 months from the effective date or such lesser period until all such Registrable Shares are sold;

(iii) as expeditiously as possible furnish to each Selling Stockholder such reasonable numbers of copies of the Prospectus, including any preliminary Prospectus, in conformity with the requirements of the Securities Act, and such other documents as such Selling Stockholder may reasonably request in order to facilitate the public sale or other disposition of the Registrable Shares owned by such Selling Stockholder;

(iv) as expeditiously as possible use commercially reasonable efforts to register or qualify the Registrable Shares covered by the Registration Statement under the securities or Blue Sky laws of such states as the Selling Stockholders shall reasonably request, and do any and all other acts and things that may be necessary or desirable to enable the Selling Stockholders to consummate the public sale or other disposition in such states of the Registrable Shares owned by the Selling Stockholders; provided, however, that the Company shall not be required in connection with this paragraph (iv) to qualify as a foreign corporation or to execute a general consent to service of process in any jurisdiction or to amend its Certificate of Incorporation or By-laws, each as may be amended and/or restated from time to time, in a manner that the Board of Directors determines is inadvisable;

(v) as expeditiously as possible, cause all such Registrable Shares to be listed on each securities exchange or automated quotation system on which similar securities issued by the Company are then listed;

(vi) promptly provide a transfer agent and registrar, and provide a CUSIP number, for all such Registrable Shares not later than the effective date of such Registration Statement;

(vii) promptly make available for inspection by the Selling Stockholders, any managing underwriter 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 Stockholders, 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 connection with such Registration Statement;
(viii) notify each Selling Stockholder, promptly after it shall receive notice thereof, of the time when such Registration Statement has become effective or a supplement to any Prospectus forming a part of such Registration Statement has been filed; and

(ix) as expeditiously as possible following the effectiveness of such Registration Statement, notify each seller of such Registrable Shares of any request by the Commission for the amending or supplementing of such Registration Statement or Prospectus.

(b) If the Company has delivered a Prospectus to the Selling Stockholders and after having done so the Prospectus is amended to comply with the requirements of the Securities Act, the Company shall promptly notify the Selling Stockholders and, if requested, the Selling Stockholders shall immediately cease making offers of Registrable Shares and return all Prospectuses to the Company. The Company shall promptly provide the Selling Stockholders with revised Prospectuses and, following receipt of the revised Prospectuses, the Selling Stockholders shall be free to resume making offers of the Registrable Shares.

(c) In the event that, in the judgment of the Company, it is advisable to suspend use of a Prospectus included in a Registration Statement due to pending material developments or other events that have not yet been publicly disclosed and as to which the Company believes public disclosure would be detrimental to the Company, the Company shall notify all Selling Stockholders to such effect, and, upon receipt of such notice, each such Selling Stockholder shall immediately discontinue any sales of Registrable Shares pursuant to such Registration Statement until such Selling Stockholder has received copies of a supplemented or amended Prospectus or until such Selling Stockholder is advised in writing by the Company that the then current Prospectus may be used and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in such Prospectus. Notwithstanding anything to the contrary herein, the Company shall not exercise its rights under this Section 2.3(c) to suspend sales of Registrable Shares for a period in excess of 30 days in any 365-day period.

2.4 Allocation of Expenses. The Company will pay all Registration Expenses incurred in connection with registrations pursuant to Sections 2.1 and 2.2 of this Agreement, regardless of whether any such registration does or does not become effective and regardless of whether such registration shall or shall not be treated as a counted registration for purposes of Section 2.1 hereof; provided, however, that if a registration under Section 2.1 is withdrawn at the request of the Initiating Holders (other than as a result of information concerning the business or financial condition of the Company which is made known to the Selling Stockholders after the date on which such registration was requested) and if the Initiating Holders elect not to have such registration counted as a registration requested under Section 2.1, the Selling Stockholders shall pay the Registration Expenses of such registration pro rata in accordance with the number of their Registrable Shares included in such registration.
2.5 Indemnification and Contribution.

(a) In the event of any registration of any of the Registrable Shares under the Securities Act pursuant to this Agreement, the Company will indemnify and hold harmless each Selling Stockholder and the partners, members, officers, directors and stockholders of each Selling Stockholder, each underwriter of such Registrable Shares, and each other person, if any, who controls such Selling Stockholder or underwriter within the meaning of the Securities Act or the Exchange Act against any expenses, losses, claims, damages or liabilities, joint or several, to which such Selling Stockholder, underwriter, controlling person or other aforementioned person may become subject under the Securities Act, the Exchange Act, state securities or Blue Sky laws or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement under which such Registrable Shares were registered under the Securities Act, including any amendments or supplements thereto, any preliminary prospectus or final prospectus contained in the Registration Statement, including any amendments or supplements thereto, (ii) any omission or alleged omission to state 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 Company 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 in connection with the Registration Statement or the offering contemplated thereby; and the Company will reimburse such Selling Stockholder, underwriter, controlling person or other aforementioned person for any legal or any other expenses reasonably incurred by such Selling Stockholder, underwriter, controlling person or other aforementioned person in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any untrue statement or omission made in such Registration Statement, preliminary prospectus or prospectus, or any such amendment or supplement, in reliance upon and in conformity with information furnished to the Company, in writing, by or on behalf of such Selling Stockholder, underwriter, controlling person or other aforementioned person specifically for use in the preparation thereof.

(b) In the event of any registration of any of the Registrable Shares under the Securities Act pursuant to this Agreement, each Selling Stockholder, severally and not jointly, will indemnify and hold harmless the Company, any other Purchaser under this Agreement selling securities in such registration statement, each of its directors and officers and each underwriter (if any) and each person, if any, who controls the Company, such other Purchaser, or any such underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages or liabilities, joint or several, to which the Company, such other Purchaser, such directors and officers, underwriter or controlling person may become subject under the Securities Act, Exchange Act, state securities or Blue Sky laws or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement under which such Registrable Shares were registered under the Securities Act, any preliminary prospectus or final prospectus contained in the Registration Statement, or any amendment or supplement to the Registration Statement, or (ii) any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, if and to the extent (and only to the extent) that the statement
or omission was made in reliance upon and in conformity with information relating to such Selling Stockholder furnished in writing to the Company by such Selling Stockholder specifically for use in connection with the preparation of such Registration Statement, prospectus, amendment or supplement; provided, however, that the obligations of a Selling Stockholder hereunder shall be limited to an amount equal to the net proceeds to such Selling Stockholder of Registrable Shares sold in connection with such registration.

(c) Each Indemnified Party shall give notice to the Indemnifying Party promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom; provided, that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not be unreasonably withheld, conditioned or delayed); and, provided, further, that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 2.5 except to the extent that the Indemnifying Party is adversely affected by such failure. The Indemnified Party may participate in such defense at such party’s expense; provided, however, that the Indemnifying Party shall pay such expense if the Indemnified Party reasonably concludes that representation of such Indemnified Party by the counsel retained by the Indemnifying Party would be inappropriate due to actual or potential differing interests between the Indemnified Party and any other party represented by such counsel in such proceeding; provided further that in no event shall the Indemnifying Party be required to pay the expenses of more than one law firm per jurisdiction as counsel for the Indemnified Party. The Indemnifying Party also shall be responsible for the expenses of such defense if the Indemnifying Party does not elect to assume such defense. No Indemnifying Party, in the defense of any such claim or litigation shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect of such claim or litigation, and no Indemnified Party shall consent to entry of any judgment or settle such claim or litigation without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Section 2.5 is due in accordance with its terms but for any reason is held to be unavailable to an Indemnified Party in respect to any losses, claims, damages and liabilities referred to herein, then the Indemnifying Party shall, in lieu of indemnifying such Indemnified Party, contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities to which such party may be subject in such proportion as is appropriate to reflect the relative fault of the Company on the one hand and the Selling Stockholders on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of the Company and the Selling Stockholders shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of material fact related to information supplied by the Company or the Selling Stockholders and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Selling Stockholders agree that it would not be just and equitable if contribution pursuant to this Section

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2.5(d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this Section 2.5(d), (i) in no case shall any one Selling Stockholder be liable or responsible for any amount in excess of the net proceeds received by such Selling Stockholder from the offering of Registrable Shares and (ii) the Company shall be liable and responsible for any amount in excess of such proceeds; provided, however, that no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this Section 2.5(d), notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties from whom contribution may be sought shall not relieve such party from any other obligation it or they may have thereunder or otherwise under this Section 2.5(d). No party shall be liable for contribution with respect to any action, suit, proceeding or claim settled without its prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

(e) The rights and obligations of the Company and the Selling Stockholders under this Section 2.5 shall survive the termination of this Agreement.

2.6 Other Matters with Respect to Underwritten Offerings. In the event that Registrable Shares are sold pursuant to a Registration Statement in an underwritten offering pursuant to Section 2.1, the Company agrees to (a) enter into an underwriting agreement containing customary representations and warranties with respect to the business and operations of the Company and customary covenants and agreements to be performed by the Company, including without limitation customary provisions with respect to indemnification by the Company of the underwriters of such offering; (b) use commercially reasonable efforts to cause its legal counsel to render customary opinions to the underwriters with respect to the Registration Statement; and (c) use commercially reasonable efforts to cause its independent public accounting firm to issue customary “cold comfort letters” to the underwriters with respect to the Registration Statement.

2.7 Information by Holder. Each holder of Registrable Shares included in any registration shall furnish to the Company such information regarding such holder and the distribution proposed by such holder as the Company may reasonably request in writing and as shall be required in connection with any registration, qualification or compliance referred to in this Agreement.

2.8 “Lock-Up” Agreement; Confidentiality of Notices. Each Purchaser agrees, if requested by the managing underwriter of the Initial Public Offering, (i) not to (a) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Registrable Shares or other securities of the Company (excluding securities acquired in the Initial Public Offering or in the public market after such offering) or (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of any Registrable Shares or other securities of the Company (excluding securities acquired in the Initial Public Offering or in
the public market after such offering), whether any transaction described in clause (a) or (b) is to be settled by delivery of securities, in cash or otherwise, during the period beginning on the date of the filing of such registration statement with the Securities and Exchange Commission and ending 180 days after the effective date of the registration statement relating to the Initial Public Offering (plus up to an additional 34 days to the extent requested by the managing underwriters for such offering in order to address Rule 2711(f) of the National Association of Securities Dealers, Inc. or any similar successor provision) (the “Lock-Up Period”), provided that, all stockholders of the Company then holding at least 1% of the outstanding Common Stock (on an as-converted basis) and all officers and directors of the Company are similarly bound, and (ii) to execute any agreement reflecting clause (i) above as may be requested by the managing underwriters at the time of such offering; provided, that all stockholders of the Company then holding at least 1% of the outstanding Common Stock (on an as-converted basis) and all officers and directors of the Company enter into similar agreements. Notwithstanding the foregoing, clauses (i) and (ii) above shall only be applicable to the Purchasers if all stockholders of the Company then holding at least 1% of the outstanding Common Stock (on an as-converted basis) and all officers and directors of the Company are treated similarly with respect to any release prior to the termination of the Lock-Up period (including any extension thereof) such that if any such persons are released, all Purchasers shall also be released to the same extent on a pro rata basis.

The Company may impose stop-transfer instructions with respect to the Registrable Shares or other securities subject to the foregoing restriction until the end of such “lock-up” period.

Any Purchaser receiving any written notice from the Company regarding the Company’s plans to file a Registration Statement, whether pursuant to this or any other provision of this Agreement, shall treat such notice confidentially and shall not disclose such information to any person other than as necessary to exercise its rights under this Agreement.

2.9 Limitations on Subsequent Registration Rights. The Company shall not, prior to the Initial Public Offering, without the prior written consent of those Purchasers holding at least a majority of the Registrable Shares then held by all Purchasers, enter into any agreement (other than this Agreement) with any holder or prospective holder of any securities of the Company which grants such holder or prospective holder rights to include securities of the Company in any Registration Statement, unless (a) such rights to include securities in a registration initiated by the Company or by Purchasers are subordinate to the rights granted to Other Holders under Sections 2.1 and 2.2, and (b) no rights are granted to initiate a registration, other than registration pursuant to a registration statement on Form S-3 (or its successor) in which Purchasers are entitled to include Registrable Shares on a pro rata basis with such holders based on the number of shares of Common Stock (on an as-converted basis) owned by Purchasers and such holders.

2.10 Rule 144 Requirements. After the earliest of (i) the closing of the sale of securities of the Company pursuant to a Registration Statement, (ii) the registration by the Company of a class of securities under Section 12 of the Exchange Act, or (iii) the issuance by the Company of an offering circular pursuant to Regulation A under the Securities Act, the Company agrees to:
(a) make and keep current public information about the Company available, as those terms are understood and defined in Rule 144;

(b) use commercially reasonable efforts to file with the Commission 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 it has become subject to such reporting requirements); and

(c) furnish to any holder of Registrable Shares upon request (i) a written statement by the Company as to its compliance with the reporting requirements of Rule 144 and of the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), (ii) a copy of the most recent annual or quarterly report of the Company, and (iii) such other reports and documents of the Company as such holder may reasonably request to avail itself of any similar rule or regulation of the Commission allowing it to sell any such securities without registration.

2.11 Transfer of Registrable Shares.

(a) Requirements for Transfer.

(i) The Shares and the Registrable Shares shall not be sold, assigned, transferred, pledged or otherwise disposed of unless either (A) they first shall have been registered under the Securities Act, or (B) the Company first shall have been furnished with an opinion of legal counsel, reasonably satisfactory to the Company, to the effect that such sale or transfer is exempt from the registration requirements of the Securities Act, and any transferee thereof has agreed in writing for the benefit of the Company to take and hold such Shares and/or Registrable Shares, as applicable, subject to, and to be bound by, the terms and conditions set forth in this Agreement, including, without limitation, this Section 2.11.

(ii) Notwithstanding the foregoing, no registration or opinion of counsel shall be required for (i) a transfer by a Purchaser to an Affiliated Party of such Purchaser, (ii) a transfer by a Purchaser which is a partnership to a partner of such partnership or a retired partner of such partnership who retires after the date hereof, or to the estate of any such partner or retired partner, or (iii) a transfer by a Purchaser which is a limited liability company to a member of such limited liability company or a retired member who resigns after the date hereof or to the estate of any such member or retired member; provided that the transferee in each case agrees in writing to be subject to the terms of this Section 2.11 to the same extent as if it were an original Purchaser hereunder, or (iv) a transfer made in accordance with Rule 144 under the Securities Act.

(b) Legend. Each certificate or instrument representing (i) the Shares, or (ii) Registrable Shares shall bear a legend substantially in the following form:

"The shares represented by this certificate have not been registered under the Securities Act of 1933, as amended, and may not be offered, sold or otherwise transferred, pledged or hypothecated unless and until such shares are registered under such Act or an opinion of counsel satisfactory to the Company is obtained to the effect that such registration is not required."
The shares represented by this certificate may be transferred only in accordance with the terms of an agreement between the Company and the stockholder, a copy of which is on file with the secretary of the Company."

The foregoing legend shall be removed from the certificates representing any Shares or Registrable Shares, at the request of the holder thereof, at such time as they become eligible for resale pursuant to Rule 144 under the Securities Act.

(c) Rule 144A Information. The Company shall, at all times during which it is neither subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, upon the written request of any Purchaser, provide in writing to such Purchaser and to any prospective transferee of any Shares or Registrable Shares of such Purchaser the information concerning the Company described in Rule 144A(d)(4) under the Securities Act ("Rule 144A Information"). The Company also shall, upon the written request of any Purchaser, cooperate with and assist such Purchaser or any member of the National Association of Securities Dealers, Inc. PORTAL system in applying to designate and thereafter maintain the eligibility of the Shares or Registrable Shares for trading through PORTAL. The Company’s obligations under this Section 2.11(d) shall at all times be contingent upon receipt from the prospective transferee of Shares or Registrable Shares of a written agreement to take all reasonable precautions to safeguard the Rule 144A Information from disclosure to anyone other than persons who will assist such transferee in evaluating the purchase of any Shares or Registrable Shares.

2.12 Termination. All of the Company’s obligations to register Shares or Registrable Shares under Sections 2.1 and 2.2 shall terminate upon the earliest of (a) four years after the closing of a Qualified IPO, (b) the date on which all Shares or Registrable Shares may be sold within a three month period under Rule 144 or (c) a Company Sale.

3. Right of First Refusal.

3.1 Rights of Purchasers to Acquire Offered Securities.

(a) The Company shall not issue, sell or exchange, agree to issue, sell or exchange, or reserve or set aside for issuance, sale or exchange, any Offered Securities, unless in each such case the Company shall have first complied with this Section 3.1. The Company shall deliver to each Major Investor an Offer, which shall (i) identify and describe the Offered Securities, (ii) describe the price and other terms upon which they are to be issued, sold or exchanged, and the number or amount of the Offered Securities to be issued, sold or exchanged, (iii) identify the persons or entities (if known) to which or with which the Offered Securities are to be offered, issued, sold or exchanged, and (iv) offer to issue and sell to or exchange with such Major Investor (A) such Major Investor’s Basic Amount and (B) such Major Investor’s Undersubscription Amount. Notwithstanding the other provisions of this Section 3.1, after delivery of the Offer, the Company may issue, sell or exchange, agree to issue, sell or exchange, or reserve or set aside for issuance, sale or exchange, Offered Securities to the offerees or
purchasers described in the Offer and upon the terms and conditions (including, without limitation, unit prices and interest rates) which are not more favorable, in the aggregate, to the acquiring person or persons or less favorable to the Company than those set forth in the Offer without complying with the terms of this Section 3.1, provided that the Company permits each Major Investor to purchase the number of Offered Securities that such Major Investor is entitled to purchase pursuant to this Section 3.1 on substantially the same terms as the Company sold the Offered Securities in the initial transaction, within 10 days after the Company receives a Notice of Acceptance from such Major Investor.

(b) To accept an Offer, in whole or in part, a Major Investor must deliver to the Company, on or prior to the date 15 business days after the date of delivery of the Offer, a Notice of Acceptance indicating the portion of the Major Investor’s Basic Amount that such Major Investor elects to purchase and, if such Major Investor shall elect to purchase all of its Basic Amount, the Undersubscription Amount (if any) that such Major Investor elects to purchase. If the Basic Amounts subscribed for by all Major Investors are less than the total of all of the Basic Amounts available for purchase, then each Major Investor who has set forth an Undersubscription Amount in its Notice of Acceptance shall be entitled to purchase, in addition to the Basic Amounts subscribed for, the Undersubscription Amount it has subscribed for; provided, however, that if the Undersubscription Amounts subscribed for exceed the Available Undersubscription Amount, each Major Investor who has subscribed for any Undersubscription Amount shall be entitled to purchase only that portion of the Available Undersubscription Amount as the Undersubscription Amount subscribed for by such Major Investor bears to the total Undersubscription Amounts subscribed for by all Purchasers, subject to rounding by the Board of Directors to the extent it deems reasonably necessary.

(c) The Company shall have 90 days from the expiration of the period set forth in Section 3.1(b) to issue, sell or exchange all or any part of the Refused Securities, but only to the offerees or purchasers described in the Offer (if so described therein) and only upon terms and conditions (including, without limitation, unit prices and interest rates) which are not more favorable, in the aggregate, to the acquiring person or persons or less favorable to the Company than those set forth in the Offer.

(d) In the event the Company shall propose to sell less than all the Refused Securities, then each Major Investor may, at its sole option and in its sole discretion, reduce the number or amount of the Offered Securities specified in its Notice of Acceptance to an amount that shall be not less than the number or amount of the Offered Securities that the Major Investor elected to purchase pursuant to Section 3.1(b) multiplied by a fraction, (i) the numerator of which shall be the number or amount of Offered Securities the Company actually proposes to issue, sell or exchange (including Offered Securities to be issued or sold to Major Investors pursuant to Section 3.1(b) prior to such reduction) and (ii) the denominator of which shall be the original amount of the Offered Securities. In the event that any Major Investor so elects to reduce the number or amount of Offered Securities specified in its Notice of Acceptance, the Company may not issue, sell or exchange more than the reduced number or amount of the Offered Securities unless and until such securities have again been offered to the Major Investors in accordance with Section 3.1(a).
(e) Upon (i) the closing of the issuance, sale or exchange of all or less than all of the Refused Securities or (ii) such other date agreed to by the Company and Major Investors who have subscribed for a majority of the Offered Securities subscribed for by the Major Investors, such Major Investor shall acquire from the Company and the Company shall issue to such Major Investor, the number or amount of Offered Securities specified in the Notices of Acceptance, as reduced pursuant to Section 3.1(d) if any of the Major Investors has so elected, upon the terms and conditions specified in the Offer.

(f) The purchase by the Major Investors of any Offered Securities is subject in all cases to the preparation, execution and delivery by the Company and the Major Investors of a purchase agreement relating to such Offered Securities reasonably satisfactory in form and substance to the Major Investors and their respective counsel.

(g) Any Offered Securities not acquired by the Major Investors or other persons in accordance with Section 3.1(c) may not be issued, sold or exchanged until they are again offered to the Major Investors under the procedures specified in this Agreement.

(h) The rights of the Major Investors under this Section 3.1 shall not apply to:

(i) the issuance of any shares of Common Stock as a stock dividend to holders of Common Stock or upon any subdivision or combination of shares of Common Stock;

(ii) the issuance of any shares of Common Stock upon conversion of shares of convertible preferred stock;

(iii) the issuance of shares of Common Stock or options with respect thereto (subject in either case to appropriate adjustment for stock splits, stock dividends, recapitalizations and similar events occurring after the date of this Agreement), approved by the Board of Directors, including a majority of the Preferred Directors, issued or issuable to employees, directors or officers of, or consultants to, the Company or any Company Subsidiary pursuant to any plan, agreement or arrangement approved by the Board of Directors, including a majority of the Preferred Directors;

(iv) the issuance of securities solely in consideration for the acquisition (whether by merger or otherwise) by the Company or any Company Subsidiary of all or substantially all of the stock or assets of any other entity the terms of which are approved by the Board of Directors, including a majority of the Preferred Directors;

(v) the issuance of shares of Common Stock by the Company in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act;

(vi) the issuance of shares of Common Stock, or the grant of options or warrants therefor, in connection with any present or future borrowing, line of credit, leasing or similar financing arrangement approved by the Board of Directors and by a majority of the Preferred Directors;
(vii) the issuance of shares of Series F Preferred Stock to Additional Purchasers pursuant to Section 2.2 of the Series F Preferred
Stock Purchase Agreement; or

(viii) the issuance of any shares of Common Stock upon the exercise of a Warrant.

(i) Notwithstanding the foregoing, the right of first offer in this Section 3 shall not be applicable to any Major Investor with respect to
any issuance of Offered Securities if (a) at the time the Company issues such Offered Securities, such Major Investor is not an “accredited investor,” as
defined in Rule 501(d) of Regulation D promulgated under the Securities Act, and (ii) such issuance of Offered Securities is only being offered by the
Company to accredited investors.

3.2 Termination. This Section 3 shall terminate upon the earlier of the closing of a Company Sale or the closing of a Qualified IPO.

4. Affirmative Covenants. The Company covenants and agrees that it will perform and observe the following covenants and provisions and will cause
each Company Subsidiary to perform and observe such of the following covenants and provisions as are applicable to such Company Subsidiary:

4.1 Payment of Taxes and Trade Debt. Pay and discharge all taxes, assessments and governmental charges or levies imposed upon it or upon its
income or profits or business, or upon any properties belonging to it, prior to the date on which penalties attach thereto, and all lawful claims, which, if
unpaid, might become a lien or charge upon any properties of the Company or a Company Subsidiary, other than those which are being contested in good
faith if the Company shall have set aside on its books and shall have provided, in accordance with generally accepted accounting principles, adequate reserves
with respect thereto; and pay in conformity with customary trade terms, all lease obligations, all trade debt, and all other indebtedness incident to its
operations, except such as are being contested in good faith if the Company shall have set aside on its books and shall have provided, in accordance with
generally accepted accounting principles, appropriate reserves with respect thereto.

4.2 Maintenance of Insurance. Maintain with responsible and reputable insurance companies or associations, insurance in such amounts and
covering such risks as the Company reasonably deems advisable.

4.3 Preservation of Corporate Existence. Preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its
incorporation, and qualify and remain qualified as a foreign corporation in each jurisdiction in which such qualification is required, unless the failure to so
qualify does not and will not have a material and adverse effect on the business, operations or financial condition of the Company; and preserve and maintain
all material licenses and other rights to use patents, processes, licenses, trademarks, trade names, inventions, intellectual property rights or copyrights owned
or possessed by it as are reasonably necessary or advisable for it to conduct its business.
4.4 **Compliance with Laws.** Comply with all applicable laws, rules, regulations and orders of any governmental authority, noncompliance with which could materially adversely affect its business or condition, financial or otherwise, except non-compliance being contested in good faith through appropriate proceedings so long as the Company shall have set up and funded sufficient reserves, if any, required under generally accepted accounting principles with respect to such items.

4.5 **Keeping of Records and Books of Account.** Keep adequate records and books of account, in which complete entries will be made in accordance with generally accepted accounting principles consistently applied, reflecting all financial transactions of the Company, and in which, for each fiscal year, all proper reserves for depreciation, depletion, obsolescence, amortization, taxes, bad debts and other purposes in connection within its business shall be made.

4.6 **Maintenance of Properties, etc.** Maintain and preserve all of its properties that the Company reasonably deems necessary or useful in the proper conduct of its business in good repair, working order and condition, ordinary wear and tear excepted, and from time to time make all necessary and proper repairs, renewals, replacements, additions and improvements thereto; and comply with the provisions of all material leases to which it is a party or under which it occupies property so as to prevent any material loss or forfeiture thereof or thereunder.

4.7 **Inspection and Observation.**

(a) The Company shall permit any Non-Strategic Major Investor, or any authorized representative thereof, to visit and inspect the properties of the Company, including its corporate and financial records, and to discuss its business and finances with officers of the Company, during normal business hours following reasonable notice and as often as may be reasonably requested; provided, however, that the Company shall not be obligated pursuant to this Section 4.7 to provide access to any information which it reasonably considers to be a trade secret.

(b) As long as S.R. One, Limited continues to be a Major Investor, the Company shall invite a representative of S.R. One, Limited to attend all meetings of the Board of Directors in a non-voting observer capacity and, in this respect, shall give such representative all notices of its meetings and other materials as it provides to its directors, provided, however; that the Company reserves the right to exclude such representative from executive sessions of any such meeting. Such representative as designated by S.R. One, Limited shall be subject to the approval of the Company’s Board of Directors, acting in good faith, and shall initially be Brian Gallagher. As long as The Regents of the University of California ("UC Regents") continues to be a Major Investor, the Company shall invite a representative of UC Regents to attend all meetings of the Board of Directors in a non-voting observer capacity and, in this respect, shall give such representative all notices of its meetings and other materials as it provides to its directors, provided, however; that the Company reserves the right to exclude such representative from executive sessions of any such meeting. Such representative as designated by UC Regents
shall be subject to the approval of the Company’s Board of Directors, acting in good faith. Notwithstanding the foregoing, the Company may (i) condition the right of either of such representatives to receive notices and other materials and to attend meetings of the Board of Directors on the execution of a confidentiality agreement provided by the Company and reasonably acceptable to such representative, but no less protective of the Company than the applicable provisions in Section 5, and (ii) prevent either of such representatives from receiving notices and other materials and attending any portion of a meeting of the Board of Directors if the Company reasonably determines (A) that it is necessary to do so to ensure preservation of the attorney-client privilege, (B) that it is necessary to do so to protect any trade secrets, highly confidential or proprietary information of the Company or a third party or (C) that a real or potential conflict of interest exists or could exist between the Company and/or any of its existing or potential affiliates or business partners, and such observer or any of its respective affiliates or business partners with regard to any subject matter included in such notice or material or to be discussed during such portion of the meeting.

4.8 Financial Statements and Other Information. So long as any Major Investor continues to hold Shares, the Company covenants and agrees that it will perform and observe the following covenants and provisions and will cause each Company Subsidiary to perform and observe such of the following covenants and provisions as are applicable to such Company Subsidiary:

   (a) The Company shall deliver to each Major Investor:

      (i) within 90 days after the end of each fiscal year of the Company, an audited balance sheet of the Company as at the end of such year and audited statements of income and of cash flows of the Company for such year, certified by certified public accountants of established national reputation selected by the Company, and prepared in accordance with generally accepted accounting principles consistently applied; and

      (ii) within 45 days after the end of each fiscal quarter of the Company (other than the fourth quarter), an unaudited balance sheet of the Company as at the end of such quarter, and unaudited statements of income and of cash flows of the Company for such fiscal quarter and for the current fiscal year to the end of such fiscal quarter;

      (iii) upon request of such Major Investor, within 30 days after the end of each month (other than the last month of any fiscal quarter), an unaudited balance sheet of the Company as at the end of such month and unaudited statements of income and of cash flows of the Company for such month and for the current fiscal year to the end of such month, setting forth in comparative form the Company’s projected financial statements for the corresponding periods for the current fiscal year; and

      (iv) such other notices, information and data with respect to the Company as the Company delivers to the holders of its capital stock at the same time it delivers such items to such holders.
(b) The Company shall deliver to each Non-Strategic Major Investor, upon request of such Non-Strategic Major Investor:

(i) as soon as available, but in any event prior to the commencement of each new fiscal year, a business plan and projected financial statements for such fiscal year; and

(ii) with reasonable promptness, such other information and data as such Non-Strategic Major Investor may from time to time reasonably request, including, but not limited to, complete capitalization charts and records of the Company.

(c) The foregoing financial statements shall be prepared on a consolidated basis if the Company then has any subsidiaries. The financial statements delivered pursuant to clause (ii) of paragraph (a) and clause (i) of paragraph (b) shall be accompanied by a certificate of the chief financial officer of the Company stating that such statements have been prepared in accordance with generally accepted accounting principles consistently applied (except as noted) and fairly present the financial condition and results of operations of the Company at the date thereof and for the periods covered thereby.

(d) Upon the request of the Strategic Major Investor, officers of the Company shall meet with representatives of the Strategic Major Investor up to two times per calendar year to discuss the Company’s business, research and finances, with the understanding that certain information, including information that the Company reasonably determines should not be discussed for reasons of potential conflicts of interest, to protect attorney client privilege or other similar reasons, shall not be discussed at such meetings.

4.9 Material Changes and Litigation. The Company shall promptly notify the Major Investors of any material adverse change in the business, prospects, assets or condition, financial or otherwise, of the Company and of any litigation or governmental proceeding or investigation brought or, to the best of the Company’s knowledge, threatened against the Company, or against any officer, director, key employee or principal stockholder of the Company which, if adversely determined, would have a material adverse effect on the business, prospects, assets or condition (financial or otherwise) of the Company.

4.10 Agreements with Employees; Options.

(a) The Company shall require (i) all persons now or hereafter employed by the Company and (ii) all independent contractors utilized by the Company who have access to confidential or proprietary information of the Company to enter into non-disclosure and assignment of inventions agreements substantially in the form of Exhibit F or H to the Series F Preferred Stock Purchase Agreement and shall require all persons now or hereafter employed by the Company to enter into non-competition and non-solicitation agreements substantially in the form of Exhibit G or H to the Series F Preferred Stock Purchase Agreement, or such other form as may be approved by the Board of Directors and by a majority of the members of the Board of Directors who are not employees of the Company or a Company Subsidiary.

(b) Unless otherwise approved by the Board of Directors and by a majority of the members of the Board of Directors who are not employees of the Company or a Company Subsidiary, all options, restricted stock or similar equity grants granted or issued by the Company shall become exercisable at the rate of 25% on the first anniversary of the date of grant and an additional 6.25% at the end of each three month period thereafter so long as the holder continues to be an employee or consultant of the Company.
(c) Prior to issuing shares of capital stock to an employee that owns, or will own following the issuance, more than 1% of the Company’s outstanding capital stock (giving effect to conversion into Common Stock of all shares of convertible preferred stock and to the issuance of all shares of Common Stock reserved for issuance under the employee stock plans of the Company) the Company agrees to require such employee to (i) be subject to substantially the same lock-up requirements as set forth in Section 2.8 of this Agreement and (ii) to become a party as a Founder (as defined therein) to the Right of First Refusal and Co-Sale Agreement, as it may be amended from time to time.

(d) Prior to issuing options or warrants to an employee that owns, or will own following the issuance, more than 1% of the Company’s outstanding Common Stock (giving effect to the conversion into Common Stock of all shares of convertible preferred stock and to the issuance of all shares of Common Stock reserved for issuance under the employee stock plans of the Company), the Company agrees to require such employee to be (i) subject to substantially the same lock-up requirements as set forth in Section 2.8 of this Agreement, (ii) to become a party as a Founder (as defined therein) to the Right of First Refusal and Co-Sale Agreement, as it may be amended from time to time, and (iii) to become a party as a Founder (as defined therein) to the Voting Agreement, as it may be amended from time to time.

4.11 Board of Directors.

(a) The Company shall promptly reimburse in full each director of the Company who is not an employee of the Company for all of his or her reasonable out-of-pocket expenses incurred in attending each meeting of the Board of Directors or any committee thereof.

(b) The Board of Directors shall meet on at least a quarterly basis, unless otherwise agreed by a majority of the members of the Board of Directors who are not employees of the Company or a Company Subsidiary.

(c) In the event that the Company or any of its successors or assigns (i) consolidates with or merges into any other entity and shall not be the continuing or surviving corporation in such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties and assets to any entity, then, and in each such case, to the extent necessary, proper provision shall be made so that the successors and assigns of the Company assume the obligations of the Company with respect to indemnification of members of the Board of Directors as contained in the Company’s Certificate of Incorporation, as may be amended and/or restated from time to time.

4.12 Related Party Transactions.

(a) The Company shall not enter into any agreement with any stockholder, officer or director of the Company, or any “affiliate” of such persons (as such term is defined in the rules and regulations promulgated under the Securities Act), including without
limitation any agreement or other arrangement providing for the furnishing of services by, rental of real or personal property from, or otherwise requiring payments to, any such person or entity, without the consent of at least a majority of the members of the Board of Directors having no interest in such agreement or arrangement.

(b) The approval of the Board of Directors and a majority of the members of the Board of Directors who are not employees of the Company or a Company Subsidiary shall be required to (i) establish or increase the compensation of executive officers of the Company or (ii) grant stock options to any officer of the Company.

4.13 Reservation of Common Stock. The Company shall reserve and maintain a sufficient number of shares of Common Stock for issuance upon conversion of all of the outstanding Shares.

4.14 International Investment and Trade in Services Survey Act. The Company shall use commercially reasonable efforts to file on a timely basis all reports required to be filed by it under 22 U.S.C. Section 3104, or any similar statute, relating to a foreign person’s direct or indirect investment in the Company.

4.15 Standard of Conduct. The Company acknowledges receipt of the “Prevention of Corruption - Third Party Guidelines” provided to the Company by S.R. One (the “Guidelines”). The Company agrees that it shall use commercially reasonable efforts to ensure that it and any of its subsidiaries operate its and their business in accordance with the Guidelines and shall notify the Board of Directors if it becomes aware of any activities or proposed activities to be conducted by itself or any of its subsidiaries that may be contrary in any material respect to the principles set forth in the Guidelines.

4.16 Prevention of Corruption. The Company shall use commercially reasonable efforts to (i) ensure that the Company and any of its Affiliates operate to the same standards of conduct set forth in “Prevention of Corruption – Third Party Guidelines” of GlaxoSmithKline plc (“GSK”) found at: http://www.gsk.com/policies/Prevention-of-Corruption-Third-Party-Guidelines.pdf and (ii) notify S.R. One if it becomes aware of any activities or proposed activities to be conducted by itself or any of its Affiliates that may be contrary to GSK’s publicly announced ethical standards or the principles set forth in the “Prevention of Corruption – Third Party Guidelines” of which the Company is aware or has been notified.

4.17 Use of Name. Neither the Company nor its Affiliates shall use the name of S.R. One or GSK, or any of their respective Affiliates, in any trade publication, marketing materials or otherwise to the general public, in each case without the prior written consent of S.R. One, which consent may be withheld in its sole discretion; provided, that (i) the parties anticipate that there will be a mutually agreed press release announcing any Closing (as defined in the Series F Preferred Stock Purchase Agreement) and (ii) following such public announcement contemplated in clause (i), the Company may confirm that S.R. One is an investor in the Company (but not the amount or terms thereof) in a form of disclosure approved by S.R. One.
4.18 Right to Conduct Activities. The Company hereby agrees and acknowledges that each of Deerfield, Ponoi Capital and The Column Group (together, “TCG Funds”) and Venrock Funds, together with their respective affiliates, are professional investment funds, and as such invest in numerous portfolio companies, some of which may be deemed competitive with the Company’s business (as currently conducted or as currently proposed to be conducted). The Company hereby agrees that, to the extent permitted under applicable law, Deerfield, TCG Funds, and Venrock Funds shall not be liable to the Company for any claim arising out of, or based upon, (i) the investment by Deerfield, TCG Funds, or Venrock Funds, as applicable, in any entity competitive with the Company or (ii) actions taken by any partner, officer or other representative of Deerfield, TCG Funds, or Venrock Funds, as applicable, to assist any such competitive company, whether or not such action was taken as a member of the board of directors of such competitive company or otherwise, and whether or not such action has a detrimental effect on the Company; provided, however, that the foregoing shall not relieve (x) Deerfield, TCG Funds, or Venrock Funds, as applicable, from liability associated with the unauthorized disclosure of the Company’s confidential information obtained pursuant to this Agreement, or (y) any director or officer of the Company from any liability associated with his or her fiduciary duties to the Company.

4.19 Termination of Covenants. Other than the covenants contained in Sections 4.15-4.17, all covenants of the Company contained in this Section 4 shall terminate upon the earlier of the closing of a Company Sale or the closing of an Initial Public Offering.

5. Confidentiality. Each Purchaser agrees that he, she or it 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, unless such Confidential Information (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 5 by such Purchaser), (b) is or has been independently developed or conceived by the Purchaser without use of the Company’s Confidential Information or (c) is or has been made known or disclosed to the Purchaser by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that a Purchaser 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 Shares from such Purchaser as long as such prospective purchaser agrees to be bound by the provisions of this Section 5 and is not a pharmaceutical, biotechnology or medical device company, (iii) to any Affiliated Party of such Purchaser (other than an Affiliated Party that is a pharmaceutical, biotechnology or medical device company), provided that such party is obligated not to disclose, divulge or use any Confidential Information to the same extent as the Purchasers, or (iv) as may otherwise be required by law, provided that the Purchaser takes reasonable steps to minimize the extent of any such required disclosure. Any Purchaser that is an investment fund may also provide summary business and financial information and milestone information to its partners, members and investors, of the type typically provided to such partners, members and investors. Notwithstanding the foregoing, such information shall not be deemed confidential for the
purpose of enforcing this Agreement. Each Purchaser further agrees that, except as required by law, he, she or it will not, without the prior consent of UC Regents, disclose the fact of UC Regents’ investment in the Company or any other relationship between UC Regents and the Company to persons or entities that are not Purchasers or agents or representatives of such Purchaser (including attorneys or accountants thereof).

6. Transfers of Rights; Calculation of Share Numbers.

6.1 Transfer of Rights. This Agreement, and the rights and obligations of each Purchaser hereunder, may be assigned by a Purchaser to (a) any person or entity who acquires at least 250,000 of such Purchaser’s Shares (subject to appropriate adjustment for stock splits, stock dividends, recapitalizations, and similar events occurring after the date of this Agreement) or if the Purchaser owns less than 250,000 Shares (subject to appropriate adjustment for stock splits, stock dividends, recapitalizations, and similar events occurring after the date of this Agreement), then to any person or entity who acquires all of such Purchaser’s Shares, or (b) to any Affiliated Party of such Purchaser, and, in each case, such transferee shall be deemed a “Purchaser” for purposes of this Agreement; provided that such assignment of rights shall be contingent upon the transferee providing a written instrument to the Company notifying the Company of such transfer and assignment and agreeing in writing to be bound by the terms of this Agreement; and provided further that in no event shall the rights under Section 4.7 and 4.8 be assigned to a pharmaceutical, biotechnology or medical device company. Notwithstanding the foregoing, any person or entity to which any Shares or Registrable Shares are transferred by a Purchaser, whether voluntarily or by operation of law, shall be bound by the obligations under Section 2.8 to the same extent as if such transferee were a Purchaser hereunder and no Purchaser shall transfer any Shares or Registrable Shares unless the transferee provides a written instrument to the Company notifying the Company of such transfer and agreeing in writing to be bound by the terms of Section 2.8.

6.2 Calculation of Share Numbers. In determining the number of Shares owned by a Purchaser for purposes of exercising rights under this Agreement, (a) Shares owned by a Purchaser shall be deemed to include Shares that have been converted into Common Stock so long as such Common Stock is owned by such Purchaser, (b) all Shares held by affiliated entities or persons shall be aggregated together (provided that no shares shall be attributed to more than one entity or person within any such group of affiliated entities or persons) and (c) all Shares issuable to a Purchaser upon exercise of a Warrant shall be deemed owned by such Purchaser.

7. General.

7.1 Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

7.2 Specific Performance. In addition to any and all other remedies that may be available at law in the event of any breach of this Agreement, each Purchaser shall be entitled to specific performance of the agreements and obligations of the Company hereunder and to such other injunctive or other equitable relief as may be granted by a court of competent jurisdiction.
7.3 **Governing Law.** This Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware, as to matters within the scope thereof, and the internal laws of the Commonwealth of Massachusetts (without reference to the conflicts of law provisions thereof), as to all other matters.

7.4 **Notices.** All notices, requests, consents and other communications under this Agreement shall be in writing and shall be deemed delivered (i) three business days after being sent by registered or certified mail, return receipt requested, postage prepaid or (ii) one business day after being sent via a reputable nationwide overnight courier service guaranteeing next business day delivery, in each case to the intended recipient as set forth below:

If to the Company, at 215 First Street, Suite 200, Cambridge, MA 02142, Attention: President, or at such other address as may have been furnished in writing by the Company to the other parties hereto, with a copy to WilmerHale, 60 State Street, Boston, MA 02109, Attention: Lia Der Marderosian, Esq.; or

If to S.R. One, Limited, at its address set forth on Exhibit A, or at such other address as may have been furnished in writing by S.R. One, Limited to the other parties hereto, with a copy to Cooley LLP, 500 Boylston Street, Boston, MA, 02116-3736, Attention: Christian E. Plaza, Esq.; or

If to any other Purchaser, at its address set forth on Exhibit A, or at such other address as may have been furnished in writing by such Purchaser to the other parties hereto, with a copy to Wilson Sonsini Goodrich & Rosati PC, 650 Page Mill Road, Palo Alto, CA 94304, Attention: Kenneth Clark.

Any party may give any notice, request, consent or other communication under this Agreement using any other means (including, without limitation, personal delivery, messenger service, telecopy, first class mail or electronic mail), but no such notice, request, consent or other communication shall be deemed to have been duly given unless and until it is actually received by the party for whom it is intended. Any party may change the address to which notices, requests, consents or other communications hereunder are to be delivered by giving the other parties notice in the manner set forth in this Section 7.4.

7.5 **Complete Agreement.** This Agreement constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter, including, without limitation, the Series E-1 Investor Rights Agreement.

7.6 **Amendments and Waivers.** This Agreement may be amended or terminated and the observance of any term of this Agreement may be waived with respect to all parties to this Agreement (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and Purchasers holding Shares representing at least a majority of the voting power of all Shares then held by Purchasers (assuming the exercise of all Warrants for shares of Common Stock); provided that any amendment, termination or waiver to the terms of Section 2 (or a defined term used therein) that occurs after the closing of the Initial Public Offering shall instead require the written consent of
the Company and Purchasers holding Registrable Shares representing at least 50% of the voting power of all Registrable Shares then held by all Purchasers,
and any amendment, waiver, discharge or termination of Section 4.18, or this Section 7.6 as expressly related to Deerfield, TCG Funds, or Venrock Funds,
shall require the prior written consent of Deerfield, TCG Funds, or Venrock Funds, as applicable. Notwithstanding the foregoing, this Agreement may not be
amended or terminated and the observance of any term hereunder may not be waived with respect to any Purchaser without the written consent of such
Purchaser unless such amendment, termination or waiver applies to all Purchasers in the same fashion (it being agreed that a waiver of the provisions of
Section 3 with respect to a particular transaction shall be deemed to apply to all Major Investors in the same fashion if such waiver does so by its terms,
notwithstanding the fact that certain Major Investors may nonetheless, by agreement with the Company, purchase securities in such transaction) without the
consent of the other parties hereto, provided that, if the rights of all Major Investors under Section 3 are waived with respect to a particular transaction
without the consent of all Major Investors, and some but not all Major Investors purchase securities in such transaction, the Major Investors who did not
consent to the waiver and did not purchase securities in the transaction shall be offered the opportunity to exercise their rights under Section 3 with respect to
such transaction within 30 days of the closing of such transaction. The Company shall give prompt written 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 Section 7.6 shall be binding on all parties hereto, even if they do not execute such consent. 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.

7.7 Pronouns. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or
neuter forms, and the singular form of nouns and pronouns shall include the plural, and vice versa.

7.8 Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an
original, and all of which together shall constitute one and the same document. This Agreement may be executed by facsimile signatures.

7.9 Section Headings and References. The section headings are for the convenience of the parties and in no way alter, modify, amend, limit or
restrict the contractual obligations of the parties. Any reference in this agreement to a particular section or subsection shall refer to a section or subsection of
this Agreement, unless specified otherwise.
Executed as of the date first written above.

COMPANY:
CONSTELLATION PHARMACEUTICALS, INC.

By: /s/ Jigar Raythatha
Name: Jigar Raythatha
Title: President and Chief Executive Officer

[Signature Page to Fifth Amended and Restated Investor Rights Agreement]
THIRD ROCK VENTURES, L.P.

By: Third Rock Ventures GP, L.P.,
its general partner

By: TRV GP, LLC,
its general partner

By: /s/ Robert Tepper
Name: Robert Tepper
Title: Partner

[Signature Page to Fifth Amended and Restated Investor Rights Agreement]
THE COLUMN GROUP, LP
By: The Column Group GP, LP
Its: General Partner
By: The Column Group, LLC
Its: General Partner
By: /s/ James Evangelista
Name: James Evangelista
Title: Chief Financial Officer

PONOI CAPITAL, L.P.
By: Ponoi Management, LLC
Its: General Partner
By: /s/ James Evangelista
Name: James Evangelista
Title: Chief Financial Officer

[Signature Page to Fifth Amended and Restated Investor Rights Agreement]
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

By: /s/ Jagdeep Singh Bachher
Name: Jagdeep Singh Bachher
Title: Chief Investment Officer

[Signature Page to Fifth Amended and Restated Investor Rights Agreement]
VENROCK ASSOCIATES V, L.P.
By: Venrock Management V, LLC
Its: General Partner

By: /s/ David L. Stepp
Name: David L. Stepp
Authorized Signatory

VENROCK PARTNERS V, L.P.
By: Venrock Partners Management V, LLC
Its: General Partner

By: /s/ David L. Stepp
Name: David L. Stepp
Authorized Signatory

VENROCK ENTREPRENEURS FUND V, L.P.
By: VEF Management V, LLC
Its: General Partner

By: /s/ David L. Stepp
Name: David L. Stepp
Authorized Signatory

[Signature Page to Fifth Amended and Restated Investor Rights Agreement]
CASDIN PARTNERS MASTER FUND LP
By: /s/ Eli Casdin
Name: Eli Casdin
Title: Managing Partner

CASDIN VENTURE OPPORTUNITIES FUND, L.P.
By: Casdin Venture Opportunities Fund GP, LLC,
its General Partner
By: /s/ Eli Casdin
Name: Eli Casdin
Title: Managing Partner

[Signature Page to Fifth Amended and Restated Investor Rights Agreement]
ALEXANDRIA VENTURE INVESTMENTS, LLC, a Delaware limited liability company

By: Alexandria Real Estate Equities, Inc., a Maryland corporation, managing member

By: /s/ Aaron Jacobson
Name: Aaron Jacobson
Title: VP – Corporate Counsel

[Signature Page to Fifth Amended and Restated Investor Rights Agreement]
SPUR VENTURES II, L.P.

By: /s/ Paul D. Fetsch
Name: Paul D. Fetsch
Title: Member of General Partner

[Signature Page to Fifth Amended and Restated Investor Rights Agreement]
SM CP LLC

By: /s/ Ronald Sinacore
Name: Ronald Sinacore
Title: Manager

[Signature Page to Fifth Amended and Restated Investor Rights Agreement]
GRANT AND JEANNETTE HEIDRICH COMMUNITY PROPERTY TRUST, U/D/T 8/84

By: /s/ Grant Heidrich
Name: Grant Heidrich
Title: Trustee

HEIDRICH FAMILY PARTNERS I

By: /s/ Grant Heidrich
Name: Grant Heidrich
Title: General Partner

[Signature Page to Fifth Amended and Restated Investor Rights Agreement]
DAVID V. AND ALENA Z. GOEDDEL 2004 TRUST

By: /s/ David V. Goeddel
Name: David V. Goeddel
Title: Trustee

By: /s/ Alena V. Goeddel
Name: Alena V. Goeddel
Title: Trustee

[Signature Page to Fifth Amended and Restated Investor Rights Agreement]
MERITZ NS GLOBAL BIO FUND

By: Meritz Securities Co., Ltd.
Its: Co-managing general partner

By: /s/ Song Min-Kyu
Name: Song Min-Kyu
Title: Deputy General Manager

By: NS Investment Co., Ltd.
Its: Co-managing general partner

By: /s/ Tae-Kyoung Sohn
Name: Tae-Kyoung Sohn
Title: Managing Director

By: Paratus Investment Co., Ltd.
Its: Co-managing general partner

By: /s/ Chan-Ho Lee
Name: Lee, Chan-Ho
Title: Managing Director

[Signature Page to Fifth Amended and Restated Investor Rights Agreement]
VENROCK HEALTHCARE CAPITAL PARTNERS II, L.P.

By: VHCP Management II, LLC
Its: General Partner

By: /s/ David L. Stepp
Name: David L. Stepp
Authorized Signatory

VHCP CO-INVESTMENT HOLDINGS II, LLC

By: VHCP Management II, LLC
Its: Manager

By: /s/ David L. Stepp
Name: David L. Stepp
Authorized Signatory

[Signature Page to Fifth Amended and Restated Investor Rights Agreement]
CORMORANT PRIVATE HEALTHCARE FUND I, LP
By: /s/ Bihua Chen
By: Cormorant Private Healthcare GP, LLC
By: Bihua Chen, Managing Member of the GP

CORMORANT GLOBAL HEALTHCARE MASTER FUND, LP
By: /s/ Bihua Chen
By: Cormorant Global Healthcare GP, LLC
By: Bihua Chen, Managing Member of the GP

CRMA SPV, L.P.
By: /s/ Bihua Chen
By: Cormorant Asset Management, LLC
By: Bihua Chen, CEO/CIO
Its: Attorney-in-Fact

[Signature Page to Fifth Amended and Restated Investor Rights Agreement]
HH CTL HOLDINGS LIMITED

By: /s/ Colm John O’Connell
Name: Colm John O’Connell
Title: Director

[Signature Page to Fifth Amended and Restated Investor Rights Agreement]
DEERFIELD SPECIAL SITUATIONS FUND, L.P.

By: Deerfield Mgmt, L.P.
   General Partner

By: J.E. Flynn Capital, LLC
   General Partner

By: /s/ David J. Clark
Name: David J. Clark
Title: Authorized Signatory

[Signature Page to Fifth Amended and Restated Investor Rights Agreement]
ORBIMED PRIVATE INVESTMENTS VI, LP
By: OrbiMed Capital GP VI LLC,
its General Partner

By: OrbiMed Advisors LLC
its Managing Member

By: /s/ Carl L. Gordon
Name: Carl L. Gordon
Title: Member

ORBIMED GLOBAL HEALTHCARE MASTER FUND, L.P.
By: OrbiMed Global Healthcare GP LLC,
its General Partner

By: OrbiMed Advisors LLC,
its Managing Member

By: /s/ Carl L. Gordon
Name: Carl L. Gordon
Title: Member

[Signature Page to Fifth Amended and Restated Investor Rights Agreement]
PONOI CAPITAL II, LP
By: Ponoi II Management, LLC
Its: General Partner

By: /s/ James Evangelista
Name: James Evangelista
Title: Chief Financial Officer

[Signature Page to Fifth Amended and Restated Investor Rights Agreement]
FIDELITY MT. VERNON STREET TRUST:
FIDELITY SERIES GROWTH COMPANY FUND

By: /s/ Colm Hogan
Name: Colm Hogan
Title: Authorized Signatory

FIDELITY MT. VERNON STREET TRUST:
FIDELITY GROWTH COMPANY FUND

By: /s/ Colm Hogan
Name: Colm Hogan
Title: Authorized Signatory

FIDELITY GROWTH COMPANY COMMINLED POOL
By: Fidelity Management Trust Company, as Trustee

By: /s/ Colm Hogan
Name: Colm Hogan
Title: Authorized Signatory

{Signature Page to Fifth Amended and Restated Investor Rights Agreement}
MOUNTAIN BERG LIMITED

By: /s/ Nick Teagle
Name: Nick Teagle
Title: Director

[Signature Page to Fifth Amended and Restated Investor Rights Agreement]
This Amendment to the Fifth Amended and Restated Investor Rights Agreement (the “Amendment”) is made as of the 21st day of June, 2018, by and among Constellation Pharmaceuticals, Inc., a Delaware corporation (the “Corporation”), and the other signatories hereto. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Fifth Amended and Restated Investor Rights Agreement, dated as of March 22, 2018, by and among the Corporation and the investors identified therein (the “IRA”).

RECITALS:

WHEREAS, the Corporation and the other signatories hereto desire to amend the IRA to expand the definition of Registrable Shares; and

WHEREAS, pursuant to Subsection 7.6 of the IRA, the IRA may be amended with the written consent of the Corporation and the holders of a majority of the Shares currently outstanding (collectively, the “Requisite Parties”); and

WHEREAS, in accordance with Subsection 7.6 of the IRA, this Amendment applies to all Investors in the same fashion.

NOW THEREFORE, in consideration of the mutual covenants contained herein and for other valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, constituting the Requisite Parties, agree as follows:

1. Amendment of Section 1 of the IRA. Section 1 of the IRA is hereby amended by deleting the definition of “Registrable Shares” in its entirety and replacing it with the following:

“Registrable Shares” means (a) the shares of Common Stock issued or issuable upon conversion of the Shares, (b) any other shares of Common Stock, and any shares of Common Stock issued or issuable upon the conversion or exercise of any other securities of the Company, held by the Investors as of the date hereof, and (c) any other shares of Common Stock issued in respect of such shares (because of stock splits, stock dividends, reclassifications, recapitalizations or similar events); provided, however, that shares of Common Stock which are Registrable Shares shall cease to be Registrable Shares (i) upon any sale pursuant to a Registration Statement or Rule 144 under the Securities Act or (ii) upon any sale in any manner to a person or entity which is not entitled, pursuant to Section 6, to the rights under this Agreement or (iii) at such time, following an Initial Public Offering, as they become eligible for sale pursuant to Rule 144(b)(1)(i) under the Securities Act. Wherever reference is made in this Agreement to a request or consent of holders of a certain percentage of Registrable Shares, the determination of such percentage shall include shares of Common Stock issuable upon conversion of the Shares (including Shares issuable upon the exercise of outstanding Warrants) even if such conversion has not been effected.
2. **Governing Law.** This Amendment shall be governed by the internal law of the State of Delaware.

3. **Counterparts.** This Amendment 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) 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.

4. **Entire Agreement.** The IRA (including the Exhibits thereto), as supplemented and modified by this Amendment, the Amended and Restated Certificate of Incorporation of the Corporation, the Fifth Amended and Restated Stockholders’ Voting Agreement, and Fifth Amended and Restated Right of First Refusal and Co-Sale Agreement constitute the full and entire understanding and agreement between 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 cancelled.

5. ** Remaining Provisions of the IRA.** Except as provided herein, each of the other provisions of the IRA shall remain in full force and effect.

6. **References.** Upon the effectiveness of this Amendment, on and after the date hereof, each reference in the IRA to “this Agreement,” “hereunder,” “hereof,” “herein” or words of like import shall mean and be a reference to the IRA, as amended hereby.

[Remainder of Page Intentionally Left Blank]
IN WITNESS WHEREOF, the parties have executed this Amendment to the Fifth Amended and Restated Investor Rights Agreement as of the date first written above.

CORPORATION:
CONSTELLATION PHARMACEUTICALS, INC.

By: /s/ Jigar Raythatha
Name: Jigar Raythatha
Title: President and Chief Executive Officer

[Signature Page to Amendment to Fifth Amended and Restated Investor Rights Agreement]
IN WITNESS WHEREOF, the parties have executed this Amendment to the Fifth Amended and Restated Investor Rights Agreement as of the date first written above.

HOLDERS OF REGISTRABLESHARES:

THE COLUMN GROUP, L.P

By: The Column Group GP, LP Its: General Partner
By: The Column Group, LLC Its: General Partner

By: /s/ Peter Svennilson
Name: Peter Svennilson
Title: Managing Partner

PONOI CAPITAL, L.P.

By: Panoi Management, LLC
Its: General Partner

By: /s/ Peter Svennilson
Name: Peter Svennilson
Title: Managing Partner

PONOI CAPITAL II, L.P.

By: Panoi II Management, LLC
Its: General Partner

By: /s/ Peter Svennilson
Name: Peter Svennilson
Title: Managing Partner

[Signature Page to Amendment to Fifth Amended and Restated Investor Rights Agreement]
THIRD ROCK VENTURES, L.P.

By: Third Rock Ventures GP, L.P.,
its general partner

By: TRV GP, LLC,
its general partner

By: /s/ Robert Tepper
Name: Robert Tepper
Title: Partner

[Signature Page to Amendment to Fifth Amended and Restated Investor Rights Agreement]
VENROCK ASSOCIATES V, L.P.
By: Venrock Management V, LLC
Its: General Partner

By: /s/ David L. Stepp
Name: David L. Stepp
Authorized Signatory

VENROCK PARTNERS V, L.P.
By: Venrock Partners Management V, LLC
Its: General Partner

By: /s/ David L. Stepp
Name: David L. Stepp
Authorized Signatory

VENROCK ENTREPRENEURS FUND V, L.P.
By: VEF Management V, LLC
Its: General Partner

By: /s/ David L. Stepp
Name: David L. Stepp
Authorized Signatory

[Signature Page to Amendment to Fifth Amended and Restated Investor Rights Agreement]
VENROCK HEALTHCARE CAPITAL PARTNERS II, L.P.
By: VHCP Management II, LLC
Its: General Partner

By: /s/ David L. Stepp
Name: David L. Stepp
Authorized Signatory

VHCP CO-INVESTMENT HOLDINGS II, LLC
By: VHCP Management II, LLC
Its: Manager

By: /s/ David L. Stepp
Name: David L. Stepp
Authorized Signatory

[Signature Page to Amendment to Fifth Amended and Restated Investor Rights Agreement]
TOPSPIN BIOTECH FUND II, LP
By: /s/ Steven J. Winick
Name: Steven J. Winick
Title: Managing Director

TOPSPIN FUND LP
By: /s/ Steven J. Winick
Name: Steven J. Winick
Title: Managing Director

[Signature Page to Amendment to Fifth Amended and Restated Investor Rights Agreement]
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

By: /s/ Jagdeep Singh Bachher
Name: Jagdeep Singh Bachher
Title: Chief Investment Officer

[Signature Page to Amendment to Fifth Amended and Restated Investor Rights Agreement]
CORMORANT PRIVATE HEALTHCARE FUND I, LP
By: /s/ Bihua Chen
By: Cormorant Private Healthcare GP, LLC
By: Bihua Chen, Managing Member of the GP

CORMORANT GLOBAL HEALTHCARE MASTER FUND, LP
By: /s/ Bihua Chen
By: Cormorant Global Healthcare GP, LLC
By: Bihua Chen, Managing Member of the GP

CRMA SPV, L.P.
By: /s/ Bihua Chen
By: Cormorant Asset Management, LLC
By: Bihua Chen, CEO/CIO
Its: Attorney-in-Fact

[Signature Page to Amendment to Fifth Amended and Restated Investor Rights Agreement]
S.R. ONE LIMITED

By: /s/ Brian M. Gallagher
Name: Brian M. Gallagher, Jr., Ph.D.
Title: Vice President and Partner

[Signature Page to Amendment to Fifth Amended and Restated Investor Rights Agreement]
By: /s/ Yuan Sun
Name: Yuan Sun
Title: Director

[Signature Page to Amendment to Fifth Amended and Restated Investor Rights Agreement]
CASDIN VENTURE OPPORTUNITIES FUND, L.P.
By: Casdin Venture Opportunities Fund GP, LLC,
its General Partner

By: /s/ Eli Casdin
Name: Eli Casdin
Title: Managing Member

CASDIN PARTNERS MASTER FUND, L.P.

By: Casdin Partners GP, LLC,
its General Partner

By: /s/ Eli Casdin
Name: Eli Casdin
Title: Managing Member

[Signature Page to Amendment to Fifth Amended and Restated Investor Rights Agreement]
[Signature Page to Amendment to Fifth Amended and Restated Investor Rights Agreement]
ERIK V. GOEDDEL IRREVOCABLE TRUST

By: /s/ Robert T. Stenson
Name: Robert T. Stenson
Title: Trustee

TYLER D. GOEDDEL IRREVOCABLE TRUST

By: /s/ Robert T. Stenson
Name: Robert T. Stenson
Title: Trustee

[Signature Page to Amendment to Fifth Amended and Restated Investor Rights Agreement]
ALEXANDRA VENTURES INVESTMENTS, LLC, a Delaware limited liability company

By: Alexandria Real Estate Equities, Inc, a Maryland corporation, managing member

By: /s/ Aaron Jacobson
Name: Aaron Jacobson
Title: SVP – Venture Counsel

[Signature Page to Amendment to Fifth Amended and Restated Investor Rights Agreement]
By: /s/ David Maki
Name: David Maki
Title: Managing Partner

[Signature Page to Amendment to Fifth Amended and Restated Investor Rights Agreement]
MERITZ NS GLOBAL BIO FUND

By Meritz Securities Co., Ltd.
Its: Co-managing general partner

/s/ Min-Kye Song
Name: Min-Kye Song
Title: Deputy General Manager

By NS Investment Co., Ltd.
Its: Co-managing general partner

/s/ Tae-Kyoung Sohn
Name: Tae-Kyoung Sohn
Title: Managing Director

By Paratus Investment Co., Ltd.
Its: Co-managing general partner

/s/ Chan-Ho Lee
Name: Chan-Ho Lee
Title: Managing Director

[Signature Page to Amendment to Fifth Amended and Restated Investor Rights Agreement]
AMENDED AND RESTATED 2008 STOCK INCENTIVE PLAN

1. Purpose

The purpose of this Amended and Restated 2008 Stock Incentive Plan (the “Plan”) of Constellation Pharmaceuticals, Inc., a Delaware corporation (the “Company”), is to advance the interests of the Company’s stockholders by enhancing the Company’s ability to attract, retain and motivate persons who are expected to make important contributions to the Company and by providing such persons with equity ownership opportunities and performance-based incentives that are intended to better align the interests of such persons with those of the Company’s stockholders. Except where the context otherwise requires, the term “Company” shall include any of the Company’s present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the “Code”) and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a controlling interest, as determined by the Board of Directors of the Company (the “Board”).

2. Eligibility

All of the Company’s employees, officers, directors, consultants and advisors are eligible to be granted options, restricted stock, restricted stock units (“RSUs”) and other stock-based awards (each, an “Award”) under the Plan. Each person who receives an Award under the Plan is deemed a “Participant”.

3. Administration and Delegation

(a) Administration by Board of Directors. The Plan will be administered by the Board. The Board shall have authority to grant Awards and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it shall deem advisable. The Board may construe and interpret the terms of the Plan and any Award agreements entered into under the Plan. The Board may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem expedient to carry the Plan into effect and it shall be the sole and final judge of such expediency. All decisions by the Board shall be made in the Board’s sole discretion and shall be final and binding on all persons having or claiming any interest in the Plan or in any Award. No director or person acting pursuant to the authority delegated by the Board shall be liable for any action or determination relating to or under the Plan made in good faith.

(b) Appointment of Committees. To the extent permitted by applicable law, the Board may delegate any or all of its powers under the Plan to one or more committees or subcommittees of the Board (a “Committee”). All references in the Plan to the “Board” shall mean the Board or a Committee of the Board or the officers referred to in Section 3(c) to the extent that the Board’s powers or authority under the Plan have been delegated to such Committee or officers.
(c) Delegation to Officers. To the extent permitted by applicable law, the Board may delegate to one or more officers of the Company the power to grant Awards (subject to any limitations under the Plan) to employees or officers of the Company or any of its present or future subsidiary corporations and to exercise such other powers under the Plan as the Board may determine, provided that the Board shall fix the terms of the Awards to be granted by such officers (including the exercise price of such Awards, which may include a formula by which the exercise price will be determined) and the maximum number of shares subject to Awards that the officers may grant; provided further, however, that no officer shall be authorized to grant Awards to any “executive officer” of the Company (as defined by Rule 3b-7 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) or to any “officer” of the Company (as defined by Rule 16a-1 under the Exchange Act).

4. Stock Available for Awards.

(a) Number of Shares. Subject to adjustment under Section 8, Awards may be made under the Plan for up to 44,474,500 shares of common stock, $0.0001 par value per share, of the Company (the “Common Stock”). If any Award expires or is terminated, surrendered or canceled without having been fully exercised, is forfeited in whole or in part (including as the result of shares of Common Stock subject to such Award being repurchased by the Company at the original issuance price pursuant to a contractual repurchase right), or results in any Common Stock not being issued, the unused Common Stock covered by such Award shall again be available for the grant of Awards under the Plan. Further, shares of Common Stock tendered to the Company by a Participant to exercise an Award shall be added to the number of shares of Common Stock available for the grant of Awards under the Plan. However, in the case of Incentive Stock Options (as hereinafter defined), the foregoing provisions shall be subject to any limitations under the Code. Shares issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares. At no time while there is any Option (as defined below) outstanding and held by a Participant who was a resident of the State of California on the date of grant of such Option, shall the total number of shares of Common Stock issuable upon exercise of all outstanding options and the total number of shares provided for under any stock bonus or similar plan or agreement of the Company exceed the applicable percentage as calculated in accordance with the conditions and exclusions of Section 260.140.45 of the California Code of Regulations (the “California Regulations”), based on the shares of the Company which are outstanding at the time the calculation is made.

(b) Substitute Awards. In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, the Board may grant Awards in substitution for any options or other stock or stock-based awards granted by such entity or an affiliate thereof. Substitute Awards may be granted on such terms as the Board deems appropriate in the circumstances, notwithstanding any limitations on Awards contained in the Plan. Substitute Awards shall not count against the overall share limit set forth in Section 4(a), except as may be required by reason of Section 422 and related provisions of the Code.
5. Stock Options

(a) General. The Board may grant options to purchase Common Stock (each, an “Option”) and determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to applicable federal or state securities laws, as it considers necessary or advisable. An Option that is not intended to be an Incentive Stock Option (as hereinafter defined) shall be designated a “Nonstatutory Stock Option”.

(b) Incentive Stock Options. An Option that the Board intends to be an “incentive stock option” as defined in Section 422 of the Code (an “Incentive Stock Option”) shall only be granted to employees of Constellation Pharmaceuticals, any of Constellation Pharmaceuticals’s present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Code, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code, and shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. The Company shall have no liability to a Participant, or any other party, if an Option (or any part thereof) that is intended to be an Incentive Stock Option is not an Incentive Stock Option or for any action taken by the Board, including without limitation the conversion of an Incentive Stock Option to a Nonstatutory Stock Option.

(c) Exercise Price. The Board shall establish the exercise price of each Option and specify the exercise price in the applicable option agreement. The exercise price of an Incentive Stock Option shall be not less than 100% of the Fair Market Value (as defined below) on the date the Option is granted. The exercise price of a Nonstatutory Stock Option may be less than 100% of the Fair Market Value on the date the Option is granted, at the discretion of the Board.

(d) Duration of Options. Each Option shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable option agreement.

(e) Exercise of Option. Options may be exercised by delivery to the Company of a written notice of exercise signed by the proper person or by any other form of notice (including electronic notice) approved by the Board together with payment in full as specified in Section 5(f) for the number of shares for which the Option is exercised. Shares of Common Stock subject to the Option will be delivered by the Company as soon as practicable following exercise.

(f) Payment Upon Exercise. Common Stock purchased upon the exercise of an Option granted under the Plan shall be paid for as follows:

1. in cash or by check, payable to the order of the Company;
2. when the Common Stock is registered under the Exchange Act, except as may otherwise be provided in the applicable option agreement, by delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to the Company sufficient funds to pay the exercise price and any required tax withholding, or (ii) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price and any required tax withholding;
(3) when the Common Stock is registered under the Exchange Act and to the extent provided for in the applicable option agreement or approved by the Board, in its sole discretion, by delivery (either by actual delivery or attestation) of shares of Common Stock owned by the Participant valued at their fair market value as determined by (or in a manner approved by) the Board (“Fair Market Value”), provided (i) such method of payment is then permitted under applicable law, (ii) such Common Stock, if acquired directly from the Company, was owned by the Participant for such minimum period of time, if any, as may be established by the Board in its discretion and (iii) such Common Stock is not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements;

(4) to the extent permitted by applicable law and provided for in the applicable option agreement or approved by the Board, in its sole discretion, by (i) delivery of a promissory note of the Participant to the Company on terms determined by the Board, or (ii) payment of such other lawful consideration as the Board may determine; or

(5) by any combination of the above permitted forms of payment.

6. **Restricted Stock; Restricted Stock Units**

   (a) **General.** The Board may grant Awards entitling recipients to acquire shares of Common Stock (“Restricted Stock”), subject to the right of the Company to repurchase all or part of such shares at their issue price or other stated or formula price (or to require forfeiture of such shares if issued at no cost) from the recipient in the event that conditions specified by the Board in the applicable Award are not satisfied prior to the end of the applicable restriction period or periods established by the Board for such Award. Instead of granting Awards for Restricted Stock, the Board may grant Awards entitling the recipient to receive shares of Common Stock or cash to be delivered at the time such Award vests (“Restricted Stock Units”) (Restricted Stock and Restricted Stock Units are each referred to herein as a “Restricted Stock Award”).

   (b) **Terms and Conditions for All Restricted Stock Awards.** The Board shall determine the terms and conditions of a Restricted Stock Award, including the conditions for vesting and repurchase (or forfeiture) and the issue price, if any.

   (c) **Additional Provisions Relating to Restricted Stock.**

      (1) **Dividends.** Participants holding shares of Restricted Stock will be entitled to all ordinary cash dividends paid with respect to such shares, unless otherwise provided by the Board. Unless otherwise provided, by the Board, if any dividends or distributions are paid in shares, or consist of a dividend or distribution to holders of Common Stock other than an ordinary cash dividend, the shares, cash or other property will be subject to the same restrictions on transferability and forfeitability as the shares of Restricted Stock with respect to which they were paid. Each dividend payment will be made no later than the end of the calendar year in which the dividends are paid to shareholders of that class of stock or, if later, the 15th day of the third month following the date the dividends are paid to shareholders of that class of stock.
(2) **Stock Certificates.** The Company may require that any stock certificates issued in respect of shares of Restricted Stock shall be deposited in escrow by the Participant, together with a stock power endorsed in blank, with the Company (or its designee). At the expiration of the applicable restriction periods, the Company (or such designee) shall deliver the certificates no longer subject to such restrictions to the Participant or if the Participant has died, to the beneficiary designated, in a manner determined by the Board, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant’s death (the “Designated Beneficiary”). In the absence of an effective designation by a Participant, “Designated Beneficiary” shall mean the Participant’s estate.

7. **Other Stock-Based Awards**

Other Awards of shares of Common Stock, and other Awards that are valued in whole or in part by reference to, or are otherwise based on, shares of Common Stock or other property, may be granted hereunder to Participants (“Other Stock-Based Awards”), including without limitation stock appreciation rights (“SARs”) and Awards entitling recipients to receive shares of Common Stock to be delivered in the future. Such Other Stock-Based Awards shall also be available as a form of payment in the settlement of other Awards granted under the Plan or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock-Based Awards may be paid in shares of Common Stock or cash, as the Board shall determine. Subject to the provisions of the Plan, the Board shall determine the terms and conditions of each Other Stock-Based Award, including any purchase price applicable thereto.

8. **Adjustments for Changes in Common Stock and Certain Other Events**

(a) **Changes in Capitalization.** In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of Common Stock other than an ordinary cash dividend, (i) the number and class of securities available under this Plan, (ii) the number and class of securities and exercise price per share of each outstanding Option, (iii) the number of shares subject to and the repurchase price per share subject to each outstanding Restricted Stock Award, and (iv) the terms of each other outstanding Award shall be equitably adjusted by the Company (or substituted Awards may be made, if applicable) in the manner determined by the Board. Without limiting the generality of the foregoing, in the event the Company effects a split of the Common Stock by means of a stock dividend and the exercise price of and the number of shares subject to an outstanding Option are adjusted as of the date of the distribution of the dividend, then an optionee who exercises an Option between the record date and the distribution date for such stock dividend shall be entitled to receive, on the distribution date, the stock dividend with respect to the shares of Common Stock acquired upon such Option exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

(b) **Reorganization Events.**

(1) **Definition.** A “Reorganization Event” shall mean: (a) any merger or consolidation of the Company with or into another entity as a result of which all of the Common Stock of the Company is converted into or exchanged for the right to receive cash, securities or other property or is cancelled, (b) any exchange of all of the Common Stock of the Company for cash, securities or other property pursuant to a share exchange transaction or (c) any liquidation or dissolution of the Company.
Consequences of a Reorganization Event on Awards Other than Restricted Stock Awards. In connection with a Reorganization Event, the Board may take any one or more of the following actions as to all or any (or any portion of) outstanding Awards other than Restricted Stock Awards on such terms as the Board determines: (i) provide that Awards shall be assumed, or substantially equivalent Awards shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), (ii) upon written notice to a Participant, provide that the Participant’s unexercised Awards will terminate immediately prior to the consummation of such Reorganization Event unless exercised by the Participant within a specified period following the date of such notice, (iii) provide that outstanding Awards shall become exercisable, realizable, or deliverable, or restrictions applicable to an Award shall lapse, in whole or in part prior to or upon such Reorganization Event, (iv) in the event of a Reorganization Event under the terms of which holders of Common Stock will receive upon consummation thereof a cash payment for each share surrendered in the Reorganization Event (the “Acquisition Price”), make or provide for a cash payment to a Participant equal to the excess, if any, of (A) the Acquisition Price times the number of shares of Common Stock subject to the Participant’s Awards (to the extent the exercise price does not exceed the Acquisition Price) over (B) the aggregate exercise price of all such outstanding Awards and any applicable tax withholdings, in exchange for the termination of such Awards, (v) provide that, in connection with a liquidation or dissolution of the Company, Awards shall convert into the right to receive liquidation proceeds (if applicable, net of the exercise price thereof and any applicable tax withholdings) and (vi) any combination of the foregoing. In taking any of the actions permitted under this Section 8(b), the Board shall not be obligated by the Plan to treat all Awards, all Awards held by a Participant, or all Awards of the same type, identically.

For purposes of clause (i) above, an Option shall be considered assumed if, following consummation of the Reorganization Event, the Option confers the right to purchase, for each share of Common Stock subject to the Option immediately prior to the consummation of the Reorganization Event, the consideration (whether cash, securities or other property) received as a result of the Reorganization Event by holders of Common Stock for each share of Common Stock held immediately prior to the consummation of the Reorganization Event (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock); provided, however, that if the consideration received as a result of the Reorganization Event is not solely common stock of the acquiring or succeeding corporation (or an affiliate thereof), the Company may, with the consent of the acquiring or succeeding corporation, provide for the consideration to be received upon the exercise of Options to consist solely of common stock of the acquiring or succeeding corporation (or an affiliate thereof) equivalent in value (as determined by the Board) to the per share consideration received by holders of outstanding shares of Common Stock as a result of the Reorganization Event.

Consequences of a Reorganization Event on Restricted Stock Awards. Upon the occurrence of a Reorganization Event other than a liquidation or dissolution of the Company, the repurchase and other rights of the Company under each outstanding Restricted Stock Award shall inure to the benefit of the Company’s successor and shall, unless the Board
determines otherwise, apply to the cash, securities or other property which the Common Stock was converted into or exchanged for pursuant to such Reorganization Event in the same manner and to the same extent as they applied to the Common Stock subject to such Restricted Stock Award. Upon the occurrence of a Reorganization Event involving the liquidation or dissolution of the Company, except to the extent specifically provided to the contrary in the instrument evidencing any Restricted Stock Award or any other agreement between a Participant and the Company, all restrictions and conditions on all Restricted Stock Awards then outstanding shall automatically be deemed terminated or satisfied.

9. General Provisions Applicable to Awards

(a) Transferability of Awards. Except as the Board may otherwise determine or provide in an Award, Awards shall not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution or, other than in the case of an Incentive Stock Option, pursuant to a qualified domestic relations order, and, during the life of the Participant, shall be exercisable only by the Participant. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees.

(b) Documentation. Each Award shall be evidenced in such form (written, electronic or otherwise) as the Board shall determine. Each Award may contain terms and conditions in addition to those set forth in the Plan.

(c) Board Discretion. Except as otherwise provided by the Plan, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award need not be identical, and the Board need not treat Participants uniformly.

(d) Termination of Status. The Board shall determine the effect on an Award of the disability, death, termination or other cessation of employment, authorized leave of absence or other change in the employment or other status of a Participant and the extent to which, and the period during which, the Participant, or the Participant’s legal representative, conservator, guardian or Designated Beneficiary, may exercise rights under the Award.

(e) Withholding. The Participant must satisfy all applicable federal, state, and local or other income and employment tax withholding obligations before the Company will deliver stock certificates or otherwise recognize ownership of Common Stock under an Award. The Company may decide to satisfy the withholding obligations through additional withholding on salary or wages. If the Company elects not to or cannot withhold from other compensation, the Participant must pay the Company the full amount, if any, required for withholding or have a broker tender to the Company cash equal to the withholding obligations. Payment of withholding obligations is due before the Company will issue any shares on exercise or release from forfeiture of an Award or, if the Company so requires, at the same time as is payment of the exercise price unless the Company determines otherwise. If provided for in an Award or approved by the Board in its sole discretion, a Participant may satisfy such tax obligations in whole or in part by delivery of shares of Common Stock, including shares retained from the Award creating the tax obligation, valued at their Fair Market Value; provided, however, except as otherwise provided by the Board, that the total tax withholding where stock is being used to
satisfy such tax obligations cannot exceed the Company’s minimum statutory withholding obligations (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to such supplemental taxable income). Shares surrendered to satisfy tax withholding requirements cannot be subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements.

(f) **Amendment of Award.**

(1) The Board may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type, changing the date of exercise or realization, and converting an Incentive Stock Option to a Nonstatutory Stock Option. The Participant’s consent to such action shall be required unless (i) the Board determines that the action, taking into account any related action, would not materially and adversely affect the Participant’s rights under the Plan or (ii) the change is permitted under Section 8 hereof.

(2) The Board may, without stockholder approval, amend any outstanding Award granted under the Plan to provide an exercise price per share that is lower than the then-current exercise price per share of such outstanding Award. The Board may also, without stockholder approval, cancel any outstanding award (whether or not granted under the Plan) and grant in substitution therefor new Awards under the Plan covering the same or a different number of shares of Common Stock and having an exercise price per share lower than the then-current exercise price per share of the cancelled award.

(g) **Conditions on Delivery of Stock.** The Company will not be obligated to deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares previously delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company’s counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and any applicable stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.

(h) **Acceleration.** The Board may at any time provide that any Award shall become immediately exercisable in full or in part, free of some or all restrictions or conditions, or otherwise realizable in full or in part, as the case may be.

10. **Miscellaneous**

(a) **No Right To Employment or Other Status.** No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.
(b) **No Rights As Stockholder.** Subject to the provisions of the applicable Award, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed with respect to an Award until becoming the record holder of such shares.

(c) **Effective Date and Term of Plan.** The Plan shall become effective on the date on which it is adopted by the Board. No Awards shall be granted under the Plan after February 1, 2028.

(d) **Amendment of Plan.** The Board may amend, suspend or terminate the Plan or any portion thereof at any time; provided that if at any time the approval of the Company’s stockholders is required as to any modification or amendment under Section 422 of the Code or any successor provision with respect to Incentive Stock Options, the Board may not effect such modification or amendment without such approval. Unless otherwise specified in the amendment, any amendment to the Plan adopted in accordance with this Section 10(d) shall apply to, and be binding on the holders of, all Awards outstanding under the Plan at the time the amendment is adopted, provided the Board determines that such amendment does not materially and adversely affect the rights of Participants under the Plan.

(e) **Authorization of Sub-Plans.** The Board may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable blue sky, securities or tax laws of various jurisdictions. The Board shall establish such sub-plans by adopting supplements to this Plan containing (i) such limitations on the Board’s discretion under the Plan as the Board deems necessary or desirable or (ii) such additional terms and conditions not otherwise inconsistent with the Plan as the Board shall deem necessary or desirable. All supplements adopted by the Board shall be deemed to be part of the Plan, but each supplement shall apply only to Participants within the affected jurisdiction and the Company shall not be required to provide copies of any supplement to Participants in any jurisdiction which is not the subject of such supplement.

(f) **Compliance with Code Section 409A.** No Award shall provide for deferral of compensation that does not comply with Section 409A of the Code, unless the Board, at the time of grant, specifically provides that the Award is not intended to comply with Section 409A of the Code. The Company shall have no liability to a Participant, or any other party, if an Award that is intended to be exempt from, or compliant with, Section 409A is not so exempt or compliant or for any action taken by the Board.

(g) **Governing Law.** The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, excluding choice-of-law principles of the law of such state that would require the application of the laws of a jurisdiction other than such state.
1. **Grant of Option.**

This agreement evidences the grant by Constellation Pharmaceuticals, a Delaware corporation (the “Company”), on [   ] (the “Grant Date”) to [   ], an employee of the Company (the “Participant”), of an option to purchase, in whole or in part, on the terms provided herein and in the Company’s 2008 Stock Incentive Plan (the “Plan”), a total of [   ] shares (the “Shares”) of common stock, $0.0001 par value per share, of the Company (“Common Stock”) at $[   ] per Share. Unless earlier terminated, this option shall expire at 5:00 p.m., Eastern time, on [   ] (the “Final Exercise Date”).

It is intended that the option evidenced by this agreement shall be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the “Code”). Except as otherwise indicated by the context, the term “Participant”, as used in this option, shall be deemed to include any person who acquires the right to exercise this option validly under its terms.

2. **Vesting Schedule.**

(a) **Option Exercise Schedule.** This option will become exercisable (“vest”) as to 6.25% of the original number of Shares at the end of the first three-month period following [   ] (the “Vesting Commencement Date”) and as to an additional 6.25% of the original number of Shares at the end of each successive three-month period following thereafter until the fourth anniversary of the Vesting Commencement Date.

The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan.

3. **Exercise of Option.**

(a) **Form of Exercise.** Each election to exercise this option shall be in writing, signed by the Participant, and received by the Company at its principal office, accompanied by this agreement, and payment in full in the manner provided in the Plan. The Participant may purchase less than the number of shares covered hereby, provided that no partial exercise of this option may be for any fractional share.

(b) **Continuous Relationship with the Company Required.** Except as otherwise provided in this Section 3, this option may not be exercised unless the Participant, at the time he or she exercises this option, is, and has been at all times since the Grant Date, an employee or officer of, or consultant or advisor to, the Company or any parent or subsidiary of the Company as defined in Section 424(e) or (f) of the Code (an “Eligible Participant”).
Termination of Relationship with the Company. If the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this option shall terminate three months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Participant was entitled to exercise this option on the date of such cessation. Notwithstanding the foregoing, if the Participant, prior to the Final Exercise Date, violates the non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company, the right to exercise this option shall terminate immediately upon written notice to the Participant from the Company describing such violation.

(d) Exercise Period Upon Death or Disability. If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for “cause” as specified in paragraph (e) below, this option shall be exercisable, within the period of one year following the date of death or disability of the Participant, provided this option shall be exercisable only to the extent that this option was exercisable by the Participant on the date of his or her death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date.

(e) Termination for Cause. If, prior to the Final Exercise Date, the Participant’s employment is terminated by the Company for Cause (as defined below), the right to exercise this option shall terminate immediately upon the effective date of such termination of employment. If, prior to the Final Exercise Date, the Participant is given notice by the Company of the termination of his or her employment by the Company for Cause, and the effective date of such employment termination is subsequent to the date of delivery of such notice, the right to exercise this option shall be suspended from the time of the delivery of such notice until the earlier of (i) such time as it is determined or otherwise agreed that the Participant’s employment shall not be terminated for Cause as provided in such notice or (ii) the effective date of such termination of employment (in which case the right to exercise this option shall, pursuant to the preceding sentence, terminate upon the effective date of such termination of employment). If the Participant is party to an employment or severance agreement with the Company that contains a definition of “cause” for termination of employment, “Cause” shall have the meaning ascribed to such term in such agreement. Otherwise, “Cause” shall mean willful misconduct by the Participant or willful failure by the Participant to perform his or her responsibilities to the Company (including, without limitation, breach by the Participant of any provision of any employment, consulting, advisory, nondisclosure, non-competition or other similar agreement between the Participant and the Company), as determined by the Company, which determination shall be conclusive. The Participant shall be considered to have been discharged for Cause if the Company determines, within 30 days after the Participant’s resignation, that discharge for cause was warranted.
4. **Company Right of First Refusal.**

(a) **Notice of Proposed Transfer.** If the Participant proposes to sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise (collectively, “transfer”) any Shares acquired upon exercise of this option, then the Participant shall first give written notice of the proposed transfer (the “Transfer Notice”) to the Company. The Transfer Notice shall name the proposed transferee and state the number of such Shares the Participant proposes to transfer (the “Offered Shares”), the price per share and all other material terms and conditions of the transfer.

(b) **Company Right to Purchase.** For 30 days following its receipt of such Transfer Notice, the Company shall have the option to purchase all or part of the Offered Shares at the price and upon the terms set forth in the Transfer Notice. In the event the Company elects to purchase all or part of the Offered Shares, it shall give written notice of such election to the Participant within such 30-day period. Within 10 days after his or her receipt of such notice, the Participant shall tender to the Company at its principal offices the certificate or certificates representing the Offered Shares to be purchased by the Company, duly endorsed in blank by the Participant or with duly endorsed stock powers attached thereto, all in a form suitable for transfer of the Offered Shares to the Company. Promptly following receipt of such certificate or certificates, the Company shall deliver or mail to the Participant a check in payment of the purchase price for such Offered Shares; provided that if the terms of payment set forth in the Transfer Notice were other than cash against delivery, the Company may pay for the Offered Shares on the same terms and conditions as were set forth in the Transfer Notice; and provided further that any delay in making such payment shall not invalidate the Company’s exercise of its option to purchase the Offered Shares.

(c) **Shares Not Purchased By Company.** If the Company does not elect to acquire all of the Offered Shares, the Participant may, within the 30-day period following the expiration of the option granted to the Company under subsection (b) above, transfer the Offered Shares which the Company has not elected to acquire to the proposed transferee, provided that such transfer shall not be on terms and conditions more favorable to the transferee than those contained in the Transfer Notice. Notwithstanding any of the above, all Offered Shares transferred pursuant to this Section 4 shall remain subject to the right of first refusal set forth in this Section 4 and such transferee shall, as a condition to such transfer, deliver to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of this Section 4.

(d) **Consequences of Non-Delivery.** After the time at which the Offered Shares are required to be delivered to the Company for transfer to the Company pursuant to subsection (b) above, the Company shall not pay any dividend to the Participant on account of such Offered Shares or permit the Participant to exercise any of the privileges or rights of a stockholder with respect to such Offered Shares, but shall, insofar as permitted by law, treat the Company as the owner of such Offered Shares.

(e) **Exempt Transactions.** The following transactions shall be exempt from the provisions of this Section 4:

1. any transfer of Shares to or for the benefit of any spouse, child or grandchild of the Participant, or to a trust for their benefit;
any transfer pursuant to an effective registration statement filed by the Company under the Securities Act of 1933, as amended (the “Securities Act”); and

the sale of all or substantially all of the outstanding shares of capital stock of the Company (including pursuant to a merger or consolidation);

provided, however, that in the case of a transfer pursuant to clause (1) above, such Shares shall remain subject to the right of first refusal set forth in this Section 4 and such transferee shall, as a condition to such transfer, deliver to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of this Section 4.

(f) **Assignment of Company Right.** The Company may assign its rights to purchase Offered Shares in any particular transaction under this Section 4 to one or more persons or entities.

(g) **Termination.** The provisions of this Section 4 shall terminate upon the earlier of the following events:

(1) the closing of the sale of shares of Common Stock in an underwritten public offering pursuant to an effective registration statement filed by the Company under the Securities Act; or

(2) the sale of all or substantially all of the outstanding shares of capital stock, assets or business of the Company, by merger, consolidation, sale of assets or otherwise (other than a merger or consolidation in which all or substantially all of the individuals and entities who were beneficial owners of the Company’s voting securities immediately prior to such transaction beneficially own, directly or indirectly, more than 75% (determined on an as-converted basis) of the outstanding securities entitled to vote generally in the election of directors of the resulting, surviving or acquiring corporation in such transaction).

(h) **No Obligation to Recognize Invalid Transfer.** The Company shall not be required (1) to transfer on its books any of the Shares which shall have been sold or transferred in violation of any of the provisions set forth in this Section 4, or (2) to treat as owner of such Shares or to pay dividends to any transferee to whom any such Shares shall have been so sold or transferred.

(i) **Legends.** The certificate representing Shares shall bear a legend substantially in the following form (in addition to, or in combination with, any legend required by applicable federal and state securities laws and agreements relating to the transfer of the Company securities):

“The shares represented by this certificate are subject to a right of first refusal in favor of the Company, as provided in a certain stock option agreement with the Company.”

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5. **Agreement in Connection with Initial Public Offering.**

The Participant agrees, in connection with the initial underwritten public offering of the Common Stock pursuant to a registration statement under the Securities Act, (i) not to (a) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any other securities of the Company or (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of shares of Common Stock or other securities of the Company, whether any transaction described in clause (a) or (b) is to be settled by delivery of securities, in cash or otherwise, during the period beginning on the date of the filing of such registration statement with the Securities and Exchange Commission and ending 180 days after the date of the final prospectus relating to the offering (plus up to an additional 34 days to the extent requested by the managing underwriters for such offering in order to address Rule 2711(f) of the National Association of Securities Dealers, Inc. or any similar successor provision), and (ii) to execute any agreement reflecting clause (i) above as may be requested by the Company or the managing underwriters at the time of such offering. The Company may impose stop-transfer instructions with respect to the shares of Common Stock or other securities subject to the foregoing restriction until the end of the “lock-up” period.

6. **Tax Matters.**

   (a) **Withholding.** No Shares will be issued pursuant to the exercise of this option unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option.

   (b) **Disqualifying Disposition.** If the Participant disposes of Shares acquired upon exercise of this option within two years from the Grant Date or one year after such Shares were acquired pursuant to exercise of this option, the Participant shall notify the Company in writing of such disposition.

7. **Nontransferability of Option.**

   This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this option shall be exercisable only by the Participant.

8. **Provisions of the Plan.**

   This option is subject to the provisions of the Plan (including the provisions relating to amendments to the Plan), a copy of which is furnished to the Participant with this option.
IN WITNESS WHEREOF, the Company has caused this option to be executed under its corporate seal by its duly authorized officer. This option shall take effect as a sealed instrument.

Constellation Pharmaceuticals, Inc.

By: ________________________________
Name: ________________________________
Title: ________________________________
PARTICIPANT'S ACCEPTANCE

The undersigned hereby accepts the foregoing option and agrees to the terms and conditions thereof. The undersigned hereby acknowledges receipt of a copy of the Company’s 2008 Stock Incentive Plan.

PARTICIPANT

Address: ________________________________

- 7 -
1. **Grant of Option.**

   This agreement evidences the grant by Constellation Pharmaceuticals, a Delaware corporation (the “Company”), on [            ] (the “Grant Date”) to [            ], a [            ] of the Company (the “Participant”), of an option to purchase, in whole or in part, on the terms provided herein and in the Company’s 2008 Stock Incentive Plan (the “Plan”), a total of [            ] shares (the “Shares”) of common stock, $0.0001 par value per share, of the Company (“Common Stock”) at $[        ] per Share. Unless earlier terminated, this option shall expire at 5:00 p.m., Eastern time, on [            ] (the “Final Exercise Date”).

   It is intended that the option evidenced by this agreement shall be a nonstatutory stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the “Code”). Except as otherwise indicated by the context, the term “Participant”, as used in this option, shall be deemed to include any person who acquires the right to exercise this option validly under its terms.

2. **Vesting Schedule.**

   This option will become exercisable (“vest”) as to 33% of the original number of Shares at the end of the first twelve month period following [            ] (the “Vesting Commencement Date”) and as to an additional 6.25% of the original number of Shares at the end of each successive three month period following thereafter until the third anniversary of the Vesting Date.

   The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan.

3. **Exercise of Option.**

   (a) **Form of Exercise.** Each election to exercise this option shall be in writing, signed by the Participant, and received by the Company at its principal office, accompanied by this agreement, and payment in full in the manner provided in the Plan. The Participant may purchase less than the number of shares covered hereby, provided that no partial exercise of this option may be for any fractional share.

   (b) **Continuous Relationship with the Company Required.** Except as otherwise provided in this Section 3, this option may not be exercised unless the Participant, at the time he or she exercises this option, is, and has been at all times since the Grant Date, an employee or officer of, or consultant or advisor to, the Company or any parent or subsidiary of the Company as defined in Section 424(e) or (f) of the Code (an “Eligible Participant”).
(c) **Termination of Relationship with the Company.** If the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this option shall terminate three months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Participant was entitled to exercise this option on the date of such cessation. Notwithstanding the foregoing, if the Participant, prior to the Final Exercise Date, violates the non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company, the right to exercise this option shall terminate immediately upon written notice to the Participant from the Company describing such violation.

(d) **Exercise Period Upon Death or Disability.** If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for “cause” as specified in paragraph (e) below, this option shall be exercisable, within the period of one year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Participant on the date of his or her death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date.

(e) **Termination for Cause.** If, prior to the Final Exercise Date, the Participant’s employment or other relationship with the Company is terminated by the Company for Cause (as defined below), the right to exercise this option shall terminate immediately upon the effective date of such termination of employment or other relationship. If, prior to the Final Exercise Date, the Participant is given notice by the Company of the termination of his or her employment or other relationship by the Company for Cause, and the effective date of such employment or other termination is subsequent to the date of the delivery of such notice, the right to exercise this option shall be suspended from the time of the delivery of such notice until the earlier of (i) such time as it is determined or otherwise agreed that the Participant’s employment or other relationship shall not be terminated for Cause as provided in such notice or (ii) the effective date of such termination of employment or other relationship (in which case the right to exercise this option shall, pursuant to the preceding sentence, terminate immediately upon the effective date of such termination of employment or other relationship). If the Participant is party to an employment, consulting or severance agreement with the Company that contains a definition of “cause” for termination of employment or other relationship, “Cause” shall have the meaning ascribed to such term in such agreement. Otherwise, “Cause” shall mean willful misconduct by the Participant or willful failure by the Participant to perform his or her responsibilities to the Company (including, without limitation, breach by the Participant of any provision of any employment, consulting, advisory, nondisclosure, non-competition or other similar agreement between the Participant and the Company), as determined by the Company, which determination shall be conclusive. The Participant shall be considered to have been discharged for “Cause” if the Company determines, within 30 days after the Participant’s resignation, that discharge for cause was warranted.
4. **Company Right of First Refusal.**

(a) **Notice of Proposed Transfer.** If the Participant proposes to sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise (collectively, “transfer”) any Shares acquired upon exercise of this option, then the Participant shall first give written notice of the proposed transfer (the “Transfer Notice”) to the Company. The Transfer Notice shall name the proposed transferee and state the number of such Shares the Participant proposes to transfer (the “Offered Shares”), the price per share and all other material terms and conditions of the transfer.

(b) **Company Right to Purchase.** For 30 days following its receipt of such Transfer Notice, the Company shall have the option to purchase all or part of the Offered Shares at the price and upon the terms set forth in the Transfer Notice. In the event the Company elects to purchase all or part of the Offered Shares, it shall give written notice of such election to the Participant within such 30-day period. Within 10 days after his or her receipt of such notice, the Participant shall tender to the Company at its principal offices the certificate or certificates representing the Offered Shares to be purchased by the Company, duly endorsed in blank by the Participant or with duly endorsed stock powers attached thereto, all in a form suitable for transfer of the Offered Shares to the Company. Promptly following receipt of such certificate or certificates, the Company shall deliver or mail to the Participant a check in payment of the purchase price for such Offered Shares; provided that if the terms of payment set forth in the Transfer Notice were other than cash against delivery, the Company may pay for the Offered Shares on the same terms and conditions as were set forth in the Transfer Notice; and provided further that any delay in making such payment shall not invalidate the Company’s exercise of its option to purchase the Offered Shares.

(c) **Shares Not Purchased By Company.** If the Company does not elect to acquire all of the Offered Shares, the Participant may, within the 30-day period following the expiration of the option granted to the Company under subsection (b) above, transfer the Offered Shares which the Company has not elected to acquire to the proposed transferee, provided that such transfer shall not be on terms and conditions more favorable to the transferee than those contained in the Transfer Notice. Notwithstanding any of the above, all Offered Shares transferred pursuant to this Section 4 shall remain subject to the right of first refusal set forth in this Section 4 and such transferee shall, as a condition to such transfer, deliver to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of this Section 4.

(d) **Consequences of Non-Delivery.** After the time at which the Offered Shares are required to be delivered to the Company for transfer to the Company pursuant to subsection (b) above, the Company shall not pay any dividend to the Participant on account of such Offered Shares or permit the Participant to exercise any of the privileges or rights of a stockholder with respect to such Offered Shares, but shall, insofar as permitted by law, treat the Company as the owner of such Offered Shares.

(e) **Exempt Transactions.** The following transactions shall be exempt from the provisions of this Section 4:

(1) any transfer of Shares to or for the benefit of any spouse, child or grandchild of the Participant, or to a trust for their benefit;
(2) any transfer pursuant to an effective registration statement filed by the Company under the Securities Act of 1933, as amended (the “Securities Act”); and

(3) the sale of all or substantially all of the outstanding shares of capital stock of the Company (including pursuant to a merger or consolidation);

provided, however, that in the case of a transfer pursuant to clause (1) above, such Shares shall remain subject to the right of first refusal set forth in this Section 4 and such transferee shall, as a condition to such transfer, deliver to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of this Section 4.

(f) **Assignment of Company Right.** The Company may assign its rights to purchase Offered Shares in any particular transaction under this Section 4 to one or more persons or entities.

(g) **Termination.** The provisions of this Section 4 shall terminate upon the earlier of the following events:

1. the closing of the sale of shares of Common Stock in an underwritten public offering pursuant to an effective registration statement filed by the Company under the Securities Act; or

2. the sale of all or substantially all of the outstanding shares of capital stock, assets or business of the Company, by merger, consolidation, sale of assets or otherwise (other than a merger or consolidation in which all or substantially all of the individuals and entities who were beneficial owners of the Company’s voting securities immediately prior to such transaction beneficially own, directly or indirectly, more than 75% (determined on an as-converted basis) of the outstanding securities entitled to vote generally in the election of directors of the resulting, surviving or acquiring corporation in such transaction).

(h) **No Obligation to Recognize Invalid Transfer.** The Company shall not be required (1) to transfer on its books any of the Shares which shall have been sold or transferred in violation of any of the provisions set forth in this Section 4, or (2) to treat as owner of such Shares or to pay dividends to any transferee to whom any such Shares shall have been so sold or transferred.

(i) **Legends.** The certificate representing Shares shall bear a legend substantially in the following form (in addition to, or in combination with, any legend required by applicable federal and state securities laws and agreements relating to the transfer of the Company securities):

“The shares represented by this certificate are subject to a right of first refusal in favor of the Company, as provided in a certain stock option agreement with the Company.”

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5. **Agreement in Connection with Initial Public Offering.**

The Participant agrees, in connection with the initial underwritten public offering of the Common Stock pursuant to a registration statement under the Securities Act, (i) not to (a) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any other securities of the Company or (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of shares of Common Stock or other securities of the Company, whether any transaction described in clause (a) or (b) is to be settled by delivery of securities, in cash or otherwise, during the period beginning on the date of the filing of such registration statement with the Securities and Exchange Commission and ending 180 days after the date of the final prospectus relating to the offering (plus up to an additional 34 days to the extent requested by the managing underwriters for such offering in order to address Rule 2711(f) of the National Association of Securities Dealers, Inc. or any similar successor provision), and (ii) to execute any agreement reflecting clause (i) above as may be requested by the Company or the managing underwriters at the time of such offering. The Company may impose stop-transfer instructions with respect to the shares of Common Stock or other securities subject to the foregoing restriction until the end of the “lock-up” period.

6. **Tax Matters.**

   (a) **Withholding.** No Shares will be issued pursuant to the exercise of this option unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option.

   (b) **Disqualifying Disposition.** If the Participant disposes of Shares acquired upon exercise of this option within two years from the Grant Date or one year after such Shares were acquired pursuant to exercise of this option, the Participant shall notify the Company in writing of such disposition.

7. **Nontransferability of Option.**

   This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this option shall be exercisable only by the Participant.

8. **Provisions of the Plan.**

   This option is subject to the provisions of the Plan (including the provisions relating to amendments to the Plan), a copy of which is furnished to the Participant with this option.
IN WITNESS WHEREOF, the Company has caused this option to be executed under its corporate seal by its duly authorized officer. This option shall take effect as a sealed instrument.

Constellation Pharmaceuticals, Inc.

By: 
Name: 
Title: 

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PARTICIPANT’S ACCEPTANCE

The undersigned hereby accepts the foregoing option and agrees to the terms and conditions thereof. The undersigned hereby acknowledges receipt of a copy of the Company’s 2008 Stock Incentive Plan.

PARTICIPANT

________________________________________

Address: __________________________________

________________________________________

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NOTICE OF STOCK OPTION EXERCISE

Date:

Constellation Pharmaceuticals, Inc.

Attention: Treasurer

Dear Sir or Madam:

I am the holder of an Incentive Stock Option granted to me under the Constellation Pharmaceuticals, Inc. (the “Company”) 2008 Stock Incentive Plan on ________ for the purchase of ________ shares of Common Stock of the Company at a purchase price of $ ________ per share.

I hereby exercise my option to purchase ________ shares of Common Stock (the “Shares”), for which I have enclosed ________ in the amount of ________.

Please register my stock certificate as follows:

Name(s):

________________________________________

________________________________________

Address:

________________________________________

________________________________________

Tax I.D. #:

________________________________________

I represent, warrant and covenant as follows:

9. I am purchasing the Shares for my own account for investment only, and not with a view to, or for sale in connection with, any distribution of the Shares in violation of the Securities Act of 1933 (the “Securities Act”), or any rule or regulation under the Securities Act.

10. I have had such opportunity as I have deemed adequate to obtain from representatives of the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company.

11. I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

12. I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Shares for an indefinite period.

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13. I understand that (i) the Shares have not been registered under the Securities Act and are “restricted securities” within the meaning of Rule 144 under the Securities Act, (ii) the Shares cannot be sold, transferred or otherwise disposed of unless they are subsequently registered under the Securities Act or an exemption from registration is then available; (iii) in any event, the exemption from registration under Rule 144 will not be available for at least one year and even then will not be available unless a public market then exists for the Common Stock, adequate information concerning the Company is then available to the public, and other terms and conditions of Rule 144 are complied with; and (iv) there is now no registration statement on file with the Securities and Exchange Commission with respect to any stock of the Company and the Company has no obligation or current intention to register the Shares under the Securities Act.

Very truly yours,

(Signature)
1. Purpose

The purpose of this 2018 Equity Incentive Plan (the “Plan”) of Constellation Pharmaceuticals, Inc., a Delaware corporation (the “Company”), is to advance the interests of the Company’s stockholders by enhancing the Company’s ability to attract, retain and motivate persons who are expected to make important contributions to the Company and by providing such persons with equity ownership opportunities and performance-based incentives that are intended to better align the interests of such persons with those of the Company’s stockholders. Except where the context otherwise requires, the term “Company” shall include any of the Company’s present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Internal Revenue Code of 1986, as amended, and any regulations thereunder (the “Code”) and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a controlling interest, as determined by the Board of Directors of the Company (the “Board”).

2. Eligibility

All of the Company’s employees, officers and directors, as well as consultants and advisors to the Company (as such terms consultants and advisors are defined and interpreted for purposes of Form S-8 under the Securities Act of 1933, as amended (the “Securities Act”), or any successor form) are eligible to be granted Awards under the Plan. Each person who is granted an Award under the Plan is deemed a “Participant.” “Award” means Options (as defined in Section 5), SARs (as defined in Section 6), Restricted Stock (as defined in Section 7), Restricted Stock Units (as defined in Section 7) and Other Stock-Based Awards (as defined in Section 8).

3. Administration and Delegation

(a) Administration by Board of Directors. The Plan will be administered by the Board. The Board shall have authority to grant Awards and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it shall deem advisable. The Board may construe and interpret the terms of the Plan and any Award agreements entered into under the Plan. The Board may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem expedient and it shall be the sole and final judge of such expediency. All decisions by the Board shall be made in the Board’s sole discretion and shall be final and binding on all persons having or claiming any interest in the Plan or in any Award.

(b) Appointment of Committees. To the extent permitted by applicable law, the Board may delegate any or all of its powers under the Plan to one or more committees or subcommittees of the Board (a “Committee”). All references in the Plan to the “Board” shall mean the Board or a Committee of the Board or the officers referred to in Section 3(c) to the extent that the Board’s powers or authority under the Plan have been delegated to such Committee or officers.
(c) **Delegation to Officers.** Subject to any requirements of applicable law (including as applicable Sections 152 and 157(c) of the General Corporation Law of the State of Delaware), the Board may delegate to one or more officers of the Company the power to grant Awards (subject to any limitations under the Plan) to employees or officers of the Company and to exercise such other powers under the Plan as the Board may determine, provided that the Board shall fix the terms of Awards to be granted by such officers, the maximum number of shares subject to Awards that the officers may grant, and the time period in which such Awards may be granted; and provided further, that no officer shall be authorized to grant Awards to any “executive officer” of the Company (as defined by Rule 3b-7 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) or to any “officer” of the Company (as defined by Rule 16a-1(f) under the Exchange Act).

4. **Stock Available for Awards**

   (a) **Number of Shares; Share Counting.**

   (1) **Authorized Number of Shares.** Subject to adjustment under Section 9, Awards may be made under the Plan (any or all of which Awards may be in the form of Incentive Stock Options, as defined in Section 5(b)) for up to such number of shares of common stock, $0.0001 par value per share, of the Company (the “Common Stock”) as is equal to the sum of:

   (A) 30,600,000 shares of Common Stock; plus

   (B) such additional number of shares of Common Stock (up to 31,671,207 shares) as is equal to the sum of (x) the number of shares of Common Stock reserved for issuance under the Company’s Amended and Restated 2008 Stock Incentive Plan, as amended, (the “Existing Plan”) that remain available for grant under the Existing Plan immediately prior to the effectiveness of the registration statement for the Company’s initial public offering and (y) the number of shares of Common Stock subject to awards granted under the Existing Plan which awards expire, terminate or are otherwise surrendered, canceled, forfeited or repurchased by the Company at their original issuance price pursuant to a contractual repurchase right (subject, however, in the case of Incentive Stock Options to any limitations of the Code); plus

   (C) an annual increase to be added on the first day of each fiscal year, beginning with the fiscal year ending December 31, 2019 and continuing for each fiscal year until, and including, the fiscal year ending December 31, 2028, equal to the least of (i) 24,400,000 shares of Common Stock, (ii) 4% of the outstanding shares on such date and (iii) an amount determined by the Board.

   Shares issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares.

   (2) **Share Counting.** For purposes of counting the number of shares available for the grant of Awards under the Plan:

-2-
(A) all shares of Common Stock covered by SARs shall be counted against the number of shares available for the grant of Awards under the Plan; provided, however, that (i) SARs that may be settled only in cash shall not be so counted and (ii) if the Company grants an SAR in tandem with an Option for the same number of shares of Common Stock and provides that only one such Award may be exercised (a “Tandem SAR”), only the shares covered by the Option, and not the shares covered by the Tandem SAR, shall be so counted, and the expiration of one in connection with the other’s exercise will not restore shares to the Plan;

(B) if any Award (i) expires or is terminated, surrendered or canceled without having been fully exercised or is forfeited in whole or in part (including as the result of shares of Common Stock subject to such Award being repurchased by the Company at the original issuance price pursuant to a contractual repurchase right) or (ii) results in any Common Stock not being issued (including as a result of an SAR that was settleable either in cash or in stock actually being settled in cash), the unused Common Stock covered by such Award shall again be available for the grant of Awards; provided, however, that (1) in the case of Incentive Stock Options, the foregoing shall be subject to any limitations under the Code, (2) in the case of the exercise of an SAR, the number of shares counted against the shares available under the Plan shall be the full number of shares subject to the SAR multiplied by the percentage of the SAR actually exercised, regardless of the number of shares actually used to settle such SAR upon exercise and (3) the shares covered by a Tandem SAR shall not again become available for grant upon the expiration or termination of such Tandem SAR; and

(C) shares of Common Stock delivered (by actual delivery, attestation, or net exercise) to the Company by a Participant to (i) purchase shares of Common Stock upon the exercise of an Award or (ii) satisfy tax withholding obligations with respect to Awards (including shares retained from the Award creating the tax obligation) shall be added back to the number of shares available for the future grant of Awards.

(b) Substitute Awards. In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, the Board may grant Awards in substitution for any options or other stock or stock-based awards granted by such entity or an affiliate thereof. Substitute Awards may be granted on such terms as the Board deems appropriate in the circumstances, notwithstanding any limitations on Awards contained in the Plan. Substitute Awards shall not count against the overall share limit set forth in Section 4(a)(1), except as may be required by reason of Section 422 and related provisions of the Code.

(c) Limit on Awards to Non-Employee Directors. The maximum value of (i) shares of Common Stock subject to Awards granted in any calendar year to any individual non-employee director (calculated based on grant date fair value for financial reporting purposes) plus (ii) the cash retainer paid in any calendar year to any individual non-employee director shall not exceed $600,000 in the case of an incumbent director or $900,000 in the case of a new director during his or her first year of service. The Board may make exceptions to this limit for individual non-employee directors in extraordinary circumstances, as the Board may determine in its discretion, provided that the non-employee director receiving such additional compensation may not participate in the decision to award such compensation.

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Stock Options

(a) General. The Board may grant options to purchase Common Stock (each, an “Option”) and determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to applicable federal or state securities laws, as it considers necessary or advisable.

(b) Incentive Stock Options. An Option that the Board intends to be an “incentive stock option” as defined in Section 422 of the Code (an “Incentive Stock Option”) shall only be granted to employees of Constellation Pharmaceuticals, Inc., any of Constellation Pharmaceuticals, Inc.’s present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Code, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code, and shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. An Option that is not intended to be an Incentive Stock Option shall be designated a “Non-Qualified Option.” The Company shall have no liability to a Participant, or any other party, if an Option (or any part thereof) that is intended to be an Incentive Stock Option is not an Incentive Stock Option or if the Company converts an Incentive Stock Option to a Non-Qualified Option.

(c) Exercise Price. The Board shall establish the exercise price of each Option or the formula by which such exercise price will be determined. The exercise price shall be specified in the applicable Option agreement. The exercise price shall be not less than 100% of the Grant Date Fair Market Value (as defined below) of the Common Stock on the date the Option is granted; provided that if the Board approves the grant of an Option with an exercise price to be determined on a future date, the exercise price shall be not less than 100% of the Grant Date Fair Market Value on such future date. “Grant Date Fair Market Value” of a share of Common Stock for purposes of the Plan will be determined as follows:

1. if the Common Stock trades on a national securities exchange, the closing sale price (for the primary trading session) on the date of grant; or
2. if the Common Stock does not trade on any such exchange, the average of the closing bid and asked prices on the date of grant as reported by an over-the-counter marketplace designated by the Board; or
3. if the Common Stock is not publicly traded, the Board will determine the Grant Date Fair Market Value for purposes of the Plan using any measure of value it determines to be appropriate (including, as it considers appropriate, relying on appraisals) in a manner consistent with the valuation principles under Code Section 409A, except as the Board may expressly determine otherwise.

For any date that is not a trading day, the Grant Date Fair Market Value of a share of Common Stock for such date will be determined by using the closing sale price or average of the bid and asked prices, as appropriate, for the immediately preceding trading day and with the timing in the formulas above adjusted accordingly. The Board can substitute a particular time of day or other measure of “closing sale price” or “bid and asked prices” if appropriate because of exchange or market procedures or can, in its sole discretion, use weighted averages either on a daily basis or such longer period as complies with Code Section 409A.
The Board has sole discretion to determine the Grant Date Fair Market Value for purposes of the Plan, and all Awards are conditioned on the Participants’ agreement that the Board’s determination is conclusive and binding even though others might make a different determination.

(d) **Duration of Options.** Each Option shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable option agreement; provided, however, that no Option will be granted with a term in excess of 10 years.

(e) **Exercise of Options.** Options may be exercised by delivery to the Company of a notice of exercise in a form (which may be electronic) approved by the Company, together with payment in full (in the manner specified in Section 5(f)) of the exercise price for the number of shares for which the Option is exercised. Shares of Common Stock subject to the Option will be delivered by the Company as soon as practicable following exercise.

(f) **Payment Upon Exercise.** Common Stock purchased upon the exercise of an Option granted under the Plan shall be paid for as follows:

1. in cash or by check, payable to the order of the Company;
2. except as may otherwise be provided in the applicable Option agreement or approved by the Board, by (i) delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to the Company sufficient funds to pay the exercise price and any required tax withholding or (ii) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price and any required tax withholding;
3. to the extent provided for in the applicable Option agreement or approved by the Board, by delivery (either by actual delivery or attestation) of shares of Common Stock owned by the Participant valued at their fair market value (valued in the manner determined by (or in a manner approved by) the Board), provided (i) such method of payment is then permitted under applicable law, (ii) such Common Stock, if acquired directly from the Company, was owned by the Participant for such minimum period of time, if any, as may be established by the Board and (iii) such Common Stock is not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements;
4. to the extent provided for in the applicable Non-Qualified Option agreement or approved by the Board, by delivery of a notice of “net exercise” to the Company, as a result of which the Participant would receive (i) the number of shares underlying the portion of the Option being exercised, less (ii) such number of shares as is equal to (A) the aggregate exercise price for the portion of the Option being exercised divided by (B) the fair market value of the Common Stock (valued in the manner determined by (or in a manner approved by) the Board) on the date of exercise;
(5) to the extent permitted by applicable law and provided for in the applicable Option agreement or approved by the Board by payment of such other lawful consideration as the Board may determine; or

(6) by any combination of the above permitted forms of payment.

(g) Limitation on Repricing. Unless such action is approved by the Company’s stockholders, the Company may not (except as provided for under Section 9): (1) amend any outstanding Option granted under the Plan to provide an exercise price per share that is lower than the then-current exercise price per share of such outstanding Option, (2) cancel any outstanding option (whether or not granted under the Plan) and grant in substitution therefor new Awards under the Plan (other than Awards granted pursuant to Section 4(b)) covering the same or a different number of shares of Common Stock and having an exercise price per share lower than the then-current exercise price per share of the cancelled option, (3) cancel in exchange for a cash payment any outstanding Option with an exercise price per share above the then-current fair market value of the Common Stock (valued in the manner determined by (or in the manner approved by) the Board) or (4) take any other action under the Plan that constitutes a “repricing” within the meaning of the rules of the NASDAQ Stock Market (“NASDAQ”).

6. Stock Appreciation Rights

(a) General. The Board may grant Awards consisting of stock appreciation rights (“SARs”) entitling the holder, upon exercise, to receive an amount of Common Stock or cash or a combination thereof (such form to be determined by the Board) determined by reference to appreciation, from and after the date of grant, in the fair market value of a share of Common Stock (valued in the manner determined by (or in the manner approved by) the Board) over the measurement price established pursuant to Section 6(b). The date as of which such appreciation is determined shall be the exercise date.

(b) Measurement Price. The Board shall establish the measurement price of each SAR and specify it in the applicable SAR agreement. The measurement price shall not be less than 100% of the Grant Date Fair Market Value of the Common Stock on the date the SAR is granted; provided that if the Board approves the grant of an SAR effective as of a future date, the measurement price shall be not less than 100% of the Grant Date Fair Market Value on such future date.

(c) Duration of SARs. Each SAR shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable SAR agreement; provided, however, that no SAR will be granted with a term in excess of 10 years.

(d) Exercise of SARs. SARs may be exercised by delivery to the Company of a notice of exercise in a form (which may be electronic) approved by the Company, together with any other documents required by the Board.

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(e) Limitation on Repricing. Unless such action is approved by the Company’s stockholders, the Company may not (except as provided for under Section 9): (1) amend any outstanding SAR granted under the Plan to provide a measurement price per share that is lower than the then-current measurement price per share of such outstanding SAR, (2) cancel any outstanding SAR (whether or not granted under the Plan) and grant in substitution therefor new Awards under the Plan (other than Awards granted pursuant to Section 4(b)) covering the same or a different number of shares of Common Stock and having an exercise or measurement price per share lower than the then-current measurement price per share of the cancelled SAR, (3) cancel in exchange for a cash payment any outstanding SAR with a measurement price per share above the then-current fair market value of the Common Stock (valued in the manner determined by (or in a manner approved by) the Board) or (4) take any other action under the Plan that constitutes a “repricing” within the meaning of the rules of NASDAQ.

7. Restricted Stock; Restricted Stock Units

(a) General. The Board may grant Awards entitling recipients to acquire shares of Common Stock (“Restricted Stock”), subject to the right of the Company to repurchase all or part of such shares at their issue price or other stated or formula price (or to require forfeiture of such shares if issued at no cost) from the recipient in the event that conditions specified by the Board in the applicable Award are not satisfied prior to the end of the applicable restriction period or periods established by the Board for such Award. The Board may also grant Awards entitling the recipient to receive shares of Common Stock or cash to be delivered at the time such Award vests or is settled (“Restricted Stock Units”) (Restricted Stock and Restricted Stock Units are each referred to herein as a “Restricted Stock Award”).

(b) Terms and Conditions for All Restricted Stock Awards. The Board shall determine the terms and conditions of a Restricted Stock Award, including the conditions for vesting and repurchase (or forfeiture) and the issue price, if any.

(c) Additional Provisions Relating to Restricted Stock.

(1) Dividends. Unless otherwise provided in the applicable Award agreement, any dividends (whether paid in cash, stock or property) declared and paid by the Company with respect to shares of Restricted Stock (“Accrued Dividends”) shall be paid to the Participant only if and when such shares become free from the restrictions on transferability and forfeitability that apply to such shares. Each payment of Accrued Dividends will be made no later than the end of the calendar year in which the dividends are paid to stockholders of that class of stock or, if later, the 15th day of the third month following the lapsing of the restrictions on transferability and the forfeitability provisions applicable to the underlying shares of Restricted Stock.

(2) Stock Certificates. The Company may require that any stock certificates issued in respect of shares of Restricted Stock, as well as dividends or distributions paid on such Restricted Stock, shall be deposited in escrow by the Participant, together with a stock power endorsed in blank, with the Company (or its designee). At the expiration of the applicable restriction periods, the Company (or such designee) shall deliver the certificates no longer subject to such restrictions to the Participant or if the Participant has died, to his or her Designated Beneficiary. “Designated Beneficiary” means (i) the beneficiary designated, in a manner determined by the Board, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant’s death or (ii) in the absence of an effective designation by a Participant, the Participant’s estate.
(d) Additional Provisions Relating to Restricted Stock Units.

(1) Settlement. Upon the vesting of and/or lapsing of any other restrictions (i.e., settlement) with respect to each Restricted Stock Unit, the Participant shall be entitled to receive from the Company such number of shares of Common Stock or (if so provided in the applicable Award agreement) an amount of cash equal to the fair market value (valued in the manner determined by (or in a manner approved by) the Board) of such number of shares of Common Stock as are set forth in the applicable Restricted Stock Unit agreement. The Board may provide that settlement of Restricted Stock Units shall be deferred, on a mandatory basis or at the election of the Participant in a manner that complies with Section 409A of the Code.

(2) Voting Rights. A Participant shall have no voting rights with respect to any Restricted Stock Units.

(3) Dividend Equivalents. The Award agreement for Restricted Stock Units may provide Participants with the right to receive an amount equal to any dividends or other distributions declared and paid on an equal number of outstanding shares of Common Stock (“Dividend Equivalents”). Dividend Equivalents may be settled in cash and/or shares of Common Stock and shall be subject to the same restrictions on transfer and forfeitability as the Restricted Stock Units with respect to which paid, in each case to the extent provided in the Award agreement.

8. Other Stock-Based Awards

(a) General. The Board may grant other Awards of shares of Common Stock, and other Awards that are valued in whole or in part by reference to, or are otherwise based on, shares of Common Stock or other property (“Other Stock-Based Awards”). Such Other Stock-Based Awards shall also be available as a form of payment in the settlement of other Awards granted under the Plan or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock-Based Awards may be paid in shares of Common Stock or cash, as the Board shall determine.

(b) Terms and Conditions. Subject to the provisions of the Plan, the Board shall determine the terms and conditions of each Other Stock-Based Award, including any purchase price applicable thereto.

9. Adjustments for Changes in Common Stock and Certain Other Events

(a) Changes in Capitalization. In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of Common Stock other than an ordinary cash dividend, (i) the number and class of securities available under the Plan, (ii) the share counting rules and sublimits set forth in Sections 4(a) and 4(c), (iii) the number and class of securities and exercise price per share of each outstanding...
Option, (iv) the share and per-share provisions and the measurement price of each outstanding SAR, (v) the share and per-share subject to and the repurchase price per share subject to each outstanding award of Restricted Stock and (vi) the share and per-share-related provisions and the purchase price, if any, of each outstanding Restricted Stock Unit award and each outstanding Other Stock-Based Award, shall be equitably adjusted by the Company (or substituted Awards may be made, if applicable) in the manner determined by the Board. Without limiting the generality of the foregoing, in the event the Company effects a split of the Common Stock by means of a stock dividend and the exercise price of and the number of shares subject to an outstanding Option are adjusted as of the date of the distribution of the dividend (rather than as of the record date for such dividend), then an optionee who exercises an Option between the record date and the distribution date for such stock dividend shall be entitled to receive, on the distribution date, the stock dividend with respect to the shares of Common Stock acquired upon such Option exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

(b) Reorganization Events.

   (1) Definition. A “Reorganization Event” shall mean: (a) any merger or consolidation of the Company with or into another entity as a result of which all of the Common Stock of the Company is converted into or exchanged for the right to receive cash, securities or other property or is cancelled, (b) any transfer or disposition of all of the Common Stock of the Company for cash, securities or other property pursuant to a share exchange or other transaction or (c) any liquidation or dissolution of the Company.

   (2) Consequences of a Reorganization Event on Awards Other than Restricted Stock.

        (A) In connection with a Reorganization Event, the Board may take any one or more of the following actions as to all or any (or any portion of) outstanding Awards other than Restricted Stock on such terms as the Board determines (except to the extent specifically provided otherwise in an applicable Award agreement or another agreement between the Company and the Participant): (i) provide that such Awards shall be assumed, or substantially equivalent Awards shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), (ii) upon written notice to a Participant, provide that all of the Participant’s unvested Awards will be forfeited immediately prior to the consummation of such Reorganization Event and/or unexercised Awards will terminate immediately prior to the consummation of such Reorganization Event unless exercised by the Participant (to the extent then exercisable) within a specified period following the date of such notice, (iii) provide that outstanding Awards shall become exercisable, realizable or deliverable, or restrictions applicable to an Award shall lapse, in whole or in part prior to or upon such Reorganization Event, (iv) in the event of a Reorganization Event under the terms of which holders of Common Stock will receive upon consummation thereof a cash payment for each share surrendered in the Reorganization Event (the “Acquisition Price”), make or provide for a cash payment to Participants with respect to each Award held by a Participant equal to (A) the number of shares of Common Stock subject to the vested portion of the Award (after giving effect to any acceleration of vesting that occurs upon or immediately prior to such Reorganization Event) multiplied by (B) the excess, if any, of (I) the Acquisition Price over (II) the exercise,
measurement or purchase price of such Award and any applicable tax withholdings, in exchange for the termination of such Award, (v) provide that, in connection with a liquidation or dissolution of the Company, Awards shall convert into the right to receive liquidation proceeds (if applicable, net of the exercise, measurement or purchase price thereof and any applicable tax withholdings) and (vi) any combination of the foregoing. In taking any of the actions permitted under this Section 9(b)(2), the Board shall not be obligated by the Plan to treat all Awards, all Awards held by a Participant, or all Awards of the same type, identically.

(B) Notwithstanding the terms of Section 9(b)(2)(A), in the case of outstanding Restricted Stock Units that are subject to Section 409A of the Code: (i) if the applicable Restricted Stock Unit agreement provides that the Restricted Stock Units shall be settled upon a “change in control event” within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i), and the Reorganization Event constitutes such a “change in control event”, then no assumption or substitution shall be permitted pursuant to Section 9(b)(2)(A)(i) and the Restricted Stock Units shall instead be settled in accordance with the terms of the applicable Restricted Stock Unit agreement; and (ii) the Board may only undertake the actions set forth in clauses (iii), (iv) or (v) of Section 9(b)(2)(A) if the Reorganization Event constitutes a “change in control event” as defined under Treasury Regulation Section 1.409A-3(i)(5)(i) and such action is permitted or required by Section 409A of the Code; if the Reorganization Event is not a “change in control event” as so defined or such action is not permitted or required by Section 409A of the Code, and the acquiring or succeeding corporation does not assume or substitute the Restricted Stock Units pursuant to clause (i) of Section 9(b)(2)(A), then the unvested Restricted Stock Units shall terminate immediately prior to the consummation of the Reorganization Event without any payment in exchange therefor.

(C) For purposes of Section 9(b)(2)(A)(i), an Award (other than Restricted Stock) shall be considered assumed if, following consummation of the Reorganization Event, such Award confers the right to purchase or receive pursuant to the terms of such Award, for each share of Common Stock subject to the Award immediately prior to the consummation of the Reorganization Event, the consideration (whether cash, securities or other property) received as a result of the Reorganization Event by holders of Common Stock for each share of Common Stock held immediately prior to the consummation of the Reorganization Event (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock); provided, however, that if the consideration received as a result of the Reorganization Event is not solely common stock of the acquiring or succeeding corporation (or an affiliate thereof), the Company may, with the consent of the acquiring or succeeding corporation, provide for the consideration to be received upon the exercise or settlement of the Award to consist solely of such number of shares of common stock of the acquiring or succeeding corporation (or an affiliate thereof) that the Board determines to be equivalent in value (as of the date of such determination or another date specified by the Board) to the per share consideration received by holders of outstanding shares of Common Stock as a result of the Reorganization Event.
(3) **Consequences of a Reorganization Event on Restricted Stock.** Upon the occurrence of a Reorganization Event other than a liquidation or dissolution of the Company, the repurchase and other rights of the Company with respect to outstanding Restricted Stock shall inure to the benefit of the Company’s successor and shall, unless the Board determines otherwise, apply to the cash, securities or other property which the Common Stock was converted into or exchanged for pursuant to such Reorganization Event in the same manner and to the same extent as they applied to such Restricted Stock; *provided, however,* that the Board may provide for termination or deemed satisfaction of such repurchase or other rights under the instrument evidencing any Restricted Stock or any other agreement between a Participant and the Company, either initially or by amendment. Upon the occurrence of a Reorganization Event involving the liquidation or dissolution of the Company, except to the extent specifically provided to the contrary in the instrument evidencing any Restricted Stock or any other agreement between a Participant and the Company, all restrictions and conditions on all Restricted Stock then outstanding shall automatically be deemed terminated or satisfied.

10. **General Provisions Applicable to Awards**

   (a) **Transferability of Awards.** Awards shall not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution or, other than in the case of an Incentive Stock Option, pursuant to a qualified domestic relations order, and, during the life of the Participant, shall be exercisable only by the Participant; *provided, however,* that, except with respect to Awards subject to Section 409A of the Code, the Board may permit or provide in an Award for the gratuitous transfer of the Award by the Participant to or for the benefit of any immediate family member, family trust or other entity established for the benefit of the Participant and/or an immediate family member thereof if the Company would be eligible to use a Form S-8 under the Securities Act for the registration of the sale of the Common Stock subject to such Award to such proposed transferee; *provided further,* that the Company shall not be required to recognize any such permitted transfer until such time as such permitted transferee shall, as a condition to such transfer, deliver to the Company a written instrument in form and substance satisfactory to the Company confirming that such transferee shall be bound by all of the terms and conditions of the Award. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees. For the avoidance of doubt, nothing contained in this Section 10(a) shall be deemed to restrict a transfer to the Company.

   (b) **Documentation.** Each Award shall be evidenced in such form (written, electronic or otherwise) as the Board shall determine. Each Award may contain terms and conditions in addition to those set forth in the Plan.

   (c) **Board Discretion.** Except as otherwise provided by the Plan, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award need not be identical, and the Board need not treat Participants uniformly.

   (d) **Termination of Status.** The Board shall determine the effect on an Award of the disability, death, termination or other cessation of employment, authorized leave of absence or other change in the employment or other status of a Participant and the extent to which, and the period during which, the Participant, or the Participant’s legal representative, conservator, guardian or Designated Beneficiary, may exercise rights under the Award.
(e) **Withholding.** The Participant must satisfy all applicable federal, state, and local or other income and employment tax withholding obligations before the Company will deliver stock certificates or otherwise recognize ownership of Common Stock under an Award. The Company may elect to satisfy the withholding obligations through additional withholding on salary or wages. If the Company elects not to or cannot withhold from other compensation, the Participant must pay the Company the full amount, if any, required for withholding or have a broker tender to the Company cash equal to the withholding obligations. Payment of withholding obligations is due before the Company will issue any shares on exercise, vesting or release from forfeiture of an Award or at the same time as payment of the exercise or purchase price, unless the Company determines otherwise. If provided for in an Award or approved by the Committee, a Participant may satisfy the tax obligations in whole or in part by delivery (either by actual delivery or attestation) of shares of Common Stock, including shares retained from the Award creating the tax obligation, valued at their fair market value (valued in the manner determined by (or in a manner approved by) the Company); provided, however, except as otherwise provided by the Committee, that the total tax withholding where stock is being used to satisfy such tax obligations cannot exceed the Company’s minimum statutory withholding obligations (based on minimum statutory withholding rates for federal, state and local tax purposes, including payroll taxes, that are applicable to such supplemental taxable income), except that, to the extent that the Company is able to retain shares of Common Stock having a fair market value (determined by, or in a manner approved by, the Company) that exceeds the statutory minimum applicable withholding tax without financial accounting implications or the Company is withholding in a jurisdiction that does not have a statutory minimum withholding tax, the Company may retain such number of shares of Common Stock (up to the number of shares having a fair market value equal to the maximum individual statutory rate of tax (determined by, or in a manner approved by, the Company)) as the Company shall determine in its sole discretion to satisfy the tax liability associated with any Award. Shares used to satisfy tax withholding requirements cannot be subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements.

(f) **Amendment of Award.** Except as otherwise provided in Sections 5(g) and 6(e) with respect to repricings and Section 11(d) with respect to actions requiring stockholder approval, the Board may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type, changing the date of exercise or realization, and converting an Incentive Stock Option to a Non-Qualified Option. The Participant’s consent to such action shall be required unless (i) the Board determines that the action, taking into account any related action, does not materially and adversely affect the Participant’s rights under the Plan or (ii) the change is permitted under Section 9.

(g) **Conditions on Delivery of Stock.** The Company will not be obligated to deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares previously issued or delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company’s counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and regulations and any applicable stock exchange or stock market rules and regulations and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.
(h) Acceleration. The Board may at any time provide that any Award shall become immediately exercisable in whole or in part, free from some or all restrictions or conditions, or otherwise realizable in whole or in part, as the case may be.

11. Miscellaneous

(a) No Right To Employment or Other Status. No person shall have any claim or right to be granted an Award by virtue of the adoption of the Plan, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.

(b) No Rights As Stockholder; Clawback Policy. Subject to the provisions of the applicable Award, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be issued with respect to an Award until becoming the record holder of such shares. In accepting an Award under the Plan, a Participant agrees to be bound by any clawback policy the Company has in effect or may adopt in the future.

(c) Effective Date and Term of Plan. The Plan shall become effective immediately prior to the effectiveness of the Company’s registration statement for its initial public offering (the “Effective Date”). No Awards shall be granted under the Plan after the expiration of 10 years from the Effective Date, but Awards previously granted may extend beyond that date.

(d) Amendment of Plan. The Board may amend, suspend or terminate the Plan or any portion thereof at any time provided that no amendment that would require stockholder approval under the rules of NASDAQ may be made effective unless and until the Company’s stockholders approve such amendment. In addition, if at any time the approval of the Company’s stockholders is required as to any other modification or amendment under Section 422 of the Code or any successor provision with respect to Incentive Stock Options, the Board may not effect such modification or amendment without such approval. Unless otherwise specified in the amendment, any amendment to the Plan adopted in accordance with this Section 11(d) shall apply to, and be binding on the holders of, all Awards outstanding under the Plan at the time the amendment is adopted, provided the Board determines that such amendment, taking into account any related action, does not materially and adversely affect the rights of Participants under the Plan. No Award shall be made that is conditioned upon stockholder approval of any amendment to the Plan unless the Award provides that (i) it will terminate or be forfeited if stockholder approval of such amendment is not obtained within no more than 12 months from the date of grant and (2) it may not be exercised or settled (or otherwise result in the issuance of Common Stock) prior to such stockholder approval.
Authorization of Sub-Plans (including for Grants to non-U.S. Employees). The Board may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable securities, tax or other laws of various jurisdictions. The Board shall establish such sub-plans by adopting supplements to the Plan containing (i) such limitations on the Board’s discretion under the Plan as the Board deems necessary or desirable or (ii) such additional terms and conditions not otherwise inconsistent with the Plan as the Board shall deem necessary or desirable. All supplements adopted by the Board shall be deemed to be part of the Plan, but each supplement shall apply only to Participants within the affected jurisdiction and the Company shall not be required to provide copies of any supplement to Participants in any jurisdiction which is not the subject of such supplement.

Compliance with Section 409A of the Code. If and to the extent (i) any portion of any payment, compensation or other benefit provided to a Participant pursuant to the Plan in connection with his or her employment termination constitutes “nonqualified deferred compensation” within the meaning of Section 409A of the Code and (ii) the Participant is a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code, in each case as determined by the Company in accordance with its procedures, by which determinations the Participant (through accepting the Award) agrees that he or she is bound, such portion of the payment, compensation or other benefit shall not be paid before the day that is six months plus one day after the date of “separation from service” (as determined under Section 409A of the Code) (the “New Payment Date”), except as Section 409A of the Code may then permit. The aggregate of any payments that otherwise would have been paid to the Participant during the period between the date of separation from service and the New Payment Date shall be paid to the Participant in a lump sum on such New Payment Date, and any remaining payments will be paid on their original schedule. The Company makes no representations or warranty and shall have no liability to the Participant or any other person if any provisions of or payments, compensation or other benefits under the Plan are determined to constitute nonqualified deferred compensation subject to Section 409A of the Code but do not to satisfy the conditions of that section.

Limitations on Liability. Notwithstanding any other provisions of the Plan, no individual acting as a director, officer, employee or agent of the Company will be liable to any Participant, former Participant, spouse, beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan, nor will such individual be personally liable with respect to the Plan because of any contract or other instrument he or she executes in his or her capacity as a director, officer, employee or agent of the Company. The Company will indemnify and hold harmless each director, officer, employee or agent of the Company to whom any duty or power relating to the administration or interpretation of the Plan has been or will be delegated, against any cost or expense (including attorneys’ fees) or liability (including any sum paid in settlement of a claim with the Board’s approval) arising out of any act or omission to act concerning the Plan unless arising out of such person’s own fraud or bad faith.

Governing Law. The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, excluding choice-of-law principles of the law of such state that would require the application of the laws of a jurisdiction other than the State of Delaware.
Constellation Pharmaceuticals, Inc. (the “Company”) hereby grants the following stock option pursuant to its 2018 Equity Incentive Plan. The terms and conditions attached hereto are also a part hereof.

Notice of Grant

Name of optionee (the “Participant”):
Grant Date:
Incentive Stock Option or Non-Qualified Stock Option:
Number of shares of the Company’s Common Stock subject to this option ("Shares"):
Option exercise price per Share:
Number, if any, of Shares that vest immediately on the grant date:
Shares that are subject to vesting schedule:
Vesting Start Date:
Final Exercise Date:
Vesting Schedule:
All vesting is dependent on the Participant remaining an Eligible Participant, as provided herein.
This option satisfies in full all commitments that the Company has to the Participant with respect to the issuance of stock, stock options or other equity securities.

Signature of Participant

By:

Street Address
City/State/Zip Code

Name of Officer
Title:

1 This must be at least 100% of the Grant Date Fair Market Value (as defined in the Plan) of the Common Stock on the date of grant (110% in the case of a Participant that owns more than 10% of the total combined voting power of all classes of stock of the Company or its parent or subsidiary (a “10% Shareholder”)) for the option to qualify as an incentive stock option (an “ISO”) under Section 422 of the Code.

2 The Final Exercise Date must be no more than 10 years (5 years in the case of a 10% Shareholder) from the date of grant for the option to qualify as an ISO. The correct approach to calculate the final exercise date is to use the day immediately prior to the date ten years out from the date of the stock option award grant (5 years in the case of a 10% stockholder). For example, an award granted to someone on August 1, 2017 would expire on July 31, 2027 (not on August 1, 2027).
1. Grant of Option.

This agreement evidences the grant by the Company, on the grant date (the “Grant Date”) set forth in the Notice of Grant that forms part of this agreement (the “Notice of Grant”), to the Participant of an option to purchase, in whole or in part, on the terms provided herein and in the Company’s 2018 Equity Incentive Plan (the “Plan”), the number of Shares set forth in the Notice of Grant of common stock, $0.0001 par value per share, of the Company (“Common Stock”), at the exercise price per Share set forth in the Notice of Grant. Unless earlier terminated, this option shall expire at 5:00 p.m., Eastern time, on the Final Exercise Date set forth in the Notice of Grant (the “Final Exercise Date”).

The option evidenced by this agreement shall be intended to be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the “Code”) to the maximum extent permitted by law, solely to the extent designated as an incentive stock option in the Notice of Grant. Except as otherwise indicated by the context, the term “Participant”, as used in this option, shall be deemed to include any person who acquires the right to exercise this option validly under its terms.

2. Vesting Schedule.

This option will become exercisable (“vest”) in accordance with the vesting schedule set forth in the Notice of Grant.

The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan.

3. Exercise of Option.

(a) Form of Exercise. Each election to exercise this option shall be in writing, in the form of the Stock Option Exercise Notice attached as Annex A, signed by the Participant, and received by the Company at its principal office, accompanied by this agreement, or in such other form (which may be electronic) as is approved by the Company, together with payment in full in the manner provided in the Plan. The Participant may purchase less than the number of shares covered hereby, provided that no partial exercise of this option may be for any fractional share.

(b) Continuous Relationship with the Company Required. Except as otherwise provided in this Section 3, this option may not be exercised unless the Participant, at the time he or she exercises this option, is, and has been at all times since the Grant Date, an employee, director or officer of, or consultant or advisor to, the Company or any other entity the employees, officers, directors, consultants, or advisors of which are eligible to receive option grants under the Plan (an “Eligible Participant”).
(c) **Termination of Relationship with the Company.** If the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this option shall terminate three months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Participant was entitled to exercise this option on the date of such cessation. Notwithstanding the foregoing, if the Participant, prior to the Final Exercise Date, violates the restrictive covenants (including, without limitation, the non-competition, non-solicitation, or confidentiality provisions) of any employment contract, the Non-Competition, Non-Solicitation, Confidentiality and Assignment Agreement to which the Participant is a party, if any, or any other agreement between the Participant and the Company, the right to exercise this option shall terminate immediately upon such violation.

(d) **Exercise Period Upon Death or Disability.** If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for “cause” as specified in paragraph (e) below, this option shall be exercisable, within the period of one year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Participant on the date of his or her death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date.

(e) **Termination for Cause.** If, prior to the Final Exercise Date, the Participant’s employment is terminated by the Company for Cause (as defined in below), the right to exercise this option shall terminate immediately upon the effective date of such termination of employment. If, prior to the Final Exercise Date, the Participant is given notice by the Company of the termination of his or her employment by the Company for Cause, and the effective date of such employment termination is subsequent to the date of delivery of such notice, the right to exercise this option shall be suspended from the time of the delivery of such notice until the earlier of (i) such time as it is determined or otherwise agreed that the Participant’s employment shall not be terminated for Cause as provided in such notice or (ii) the effective date of such termination of employment (in which case the right to exercise this option shall, pursuant to the preceding sentence, terminate upon the effective date of such termination of employment). If the Participant is subject to an individual employment agreement with the Company or eligible to participate in a Company severance plan or arrangement, in any case which agreement, plan or arrangement contains a definition of “cause” for termination of employment, “Cause” shall have the meaning ascribed to such term in such agreement, plan or arrangement. Otherwise, “Cause” shall mean willful misconduct by the Participant or willful failure by the Participant to perform his or her responsibilities to the Company (including, without limitation, breach by the Participant of any provision of any employment, consulting, advisory, nondisclosure, non-competition or other similar agreement between the Participant and the Company), as determined by the Company, which determination shall be conclusive. The Participant’s employment shall be considered to have been terminated for Cause if the Company determines, within 30 days after the Participant’s resignation, that termination for Cause was warranted.
4. Tax Matters.

(a) **Withholding.** No Shares will be issued pursuant to the exercise of this option unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option.

(b) **Disqualifying Disposition.** If this option is an incentive stock option and the Participant disposes of Shares acquired upon exercise of this option within two years from the Grant Date or one year after such Shares were acquired pursuant to exercise of this option, the Participant shall notify the Company in writing of such disposition.

5. Transfer Restrictions; Clawback.

(a) This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this option shall be exercisable only by the Participant.

(b) In accepting this option, the Participant agrees to be bound by any clawback policy that the Company has in place or may adopt in the future.


This option is subject to the provisions of the Plan (including the provisions relating to amendments to the Plan), a copy of which is furnished to the Participant with this option.
Dear Sir or Madam:

I, [Participant], hereby irrevocably exercise the right to purchase [number of shares] shares of the Common Stock, $0.0001 par value per share (the "Shares"), of Constellation Pharmaceuticals, Inc. (the "Company") at $[exercise price] per share pursuant to the Company's 2018 Equity Incentive Plan and a stock option agreement with the Company dated [date of option agreement] (the "Option Agreement"). Enclosed herewith is a payment of $[amount], the aggregate purchase price for the Shares. The certificate for the Shares should be registered in my name as it appears below or, if so indicated below, jointly in my name and the name of the person designated below, with right of survivorship.

Dated: ________________

________________________
Signature

________________________
Print Name:

________________________
Address:

________________________

Name and address of persons in whose name the Shares are to be jointly registered (if applicable):

________________________

- 5 -
The purpose of this 2018 Employee Stock Purchase Plan (this “Plan”) is to provide eligible employees of Constellation Pharmaceuticals, Inc. (the “Company”) and certain of its subsidiaries with opportunities to purchase shares of the Company’s common stock, $0.0001 par value per share (the “Common Stock”), commencing at such time and on such dates as the Board of Directors of the Company (the “Board”) shall determine. Subject to adjustment under Section 15 hereof, the number of shares of Common Stock that have been approved for this purpose is the sum of:

(a) 3,000,000 shares of Common Stock; plus
(b) an annual increase to be added on the first day of each fiscal year, commencing on January 1, 2020 and ending on January 1, 2028, equal to the least of (i) 6,000,000 shares of Common Stock, (ii) 1% of the outstanding shares on such date and (iii) an amount determined by the Board.

This Plan is intended to qualify as an “employee stock purchase plan” as defined in Section 423 of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations issued thereunder, and shall be interpreted consistent therewith.

1. Administration. The Plan will be administered by the Board or by a Committee appointed by the Board (the “Committee”). The Board or the Committee has authority to make rules and regulations for the administration of the Plan and its interpretation and decisions with regard thereto shall be final and conclusive.

2. Eligibility. All employees of the Company and all employees of any subsidiary of the Company (as defined in Section 424(f) of the Code) designated by the Board or the Committee from time to time (a “Designated Subsidiary”), are eligible to participate in any one or more of the offerings of Options (as defined in Section 9) to purchase Common Stock under the Plan provided that:

(a) they are customarily employed by the Company or a Designated Subsidiary for more than 20 hours a week and for more than five months in a calendar year;
(b) they have been employed by the Company or a Designated Subsidiary for at least three (3) months prior to enrolling in the Plan; and
(c) they are employees of the Company or a Designated Subsidiary on the first day of the applicable Plan Period (as defined below).

No employee may be granted an Option hereunder if such employee, immediately after the Option is granted, owns 5% or more of the total combined voting power or value of the stock of the Company or any subsidiary. For purposes of the preceding sentence, the attribution rules of Section 424(d) of the Code shall apply in determining the stock ownership of an employee, and all stock that the employee has a contractual right to purchase shall be treated as stock owned by the employee.
3. **Offerings.** The Company will make one or more offerings ("Offerings") to employees to purchase stock under this Plan. Offerings will begin at such time and on such dates as the Board shall determine, or the first business day thereafter (such dates, the "Offering Commencement Dates"). Each Offering Commencement Date will begin a six (6) month period (a "Plan Period") during which payroll deductions will be made and held for the purchase of Common Stock at the end of the Plan Period. However, the Board or the Committee may, at its discretion, choose a different Plan Period of not more than twelve (12) months for Offerings.

4. **Participation.** An employee eligible on the Offering Commencement Date of any Offering may participate in such Offering by completing and forwarding either a written or electronic payroll deduction authorization form to the employee’s appropriate payroll office at least 15 days (or such other number of days as is determined by the Company) prior to the applicable Offering Commencement Date. The form will authorize a regular payroll deduction from the Compensation received by the employee during the Plan Period. Unless an employee files a new form or withdraws from the Plan, his or her deductions and purchases will continue at the same rate for future Offerings under the Plan as long as the Plan remains in effect. The term “Compensation” means the amount of money reportable on the employee’s Federal Income Tax Withholding Statement (or analogous non-U.S. statement), excluding overtime, shift premium, incentive or bonus awards, allowances and reimbursements for expenses such as relocation allowances for travel expenses, income or gains associated with the grant or vesting of restricted stock, income or gains on the exercise of Company stock options or stock appreciation rights, and similar items, whether or not shown or separately identified on the employee’s Federal Income Tax Withholding Statement (or analogous non-U.S. statement), but including, in the case of salespersons, sales commissions to the extent determined by the Board or the Committee.

5. **Deductions.** The Company will maintain payroll deduction accounts for all participating employees. With respect to any Offering made under this Plan, an employee may authorize a payroll deduction in any percentage amount (in whole percentages) up to a maximum of 15% of the Compensation he or she receives during the Period or such shorter period during which deductions from payroll are made. The Board or the Committee may, at its discretion, designate a lower maximum contribution rate. The minimum payroll deduction is such percentage of Compensation as may be established from time to time by the Board or the Committee.

6. **Deduction Changes.** An employee may decrease or discontinue his or her payroll deduction once during any Plan Period, by filing either a written or electronic new payroll deduction authorization form, as determined by the Company. However, an employee may not increase his or her payroll deduction during a Plan Period. If an employee elects to discontinue his or her payroll deductions during a Plan Period, but does not elect to withdraw his or her funds pursuant to Section 8 hereof, funds deducted prior to his or her election to discontinue will be applied to the purchase of Common Stock on the Exercise Date (as defined below).
7. **Interest.** Interest will not be paid on any employee accounts, except to the extent that the Board or the Committee, in its sole discretion, elects to credit employee accounts with interest at such rate as it may from time to time determine.

8. **Withdrawal of Funds.** An employee may at any time prior to the close of business on the fifteenth business day (or such other number of days as is determined by the Company) prior to the end of a Plan Period and for any reason permanently draw out the balance accumulated in the employee’s account and thereby withdraw from participation in an Offering. Partial withdrawals are not permitted. The employee may not begin participation again during the remainder of the Plan Period during which the employee withdrew his or her balance. The employee may participate in any subsequent Offering in accordance with terms and conditions established by the Board or the Committee.

9. **Purchase of Shares.**

   (a) **Number of Shares.** On the Offering Commencement Date, the Company will grant to each eligible employee who is then a participant in the Plan an option (an “Option”) to purchase on the last business day of such Plan Period (the “Exercise Date”) at the applicable purchase price (the “Option Price”) up to that number of shares of Common Stock determined by multiplying $2,083 by the number of full months in the Plan Period and dividing the result by the closing price (as determined below) on the Offering Commencement Date; provided, however, that no employee may be granted an Option which permits his or her rights to purchase Common Stock under this Plan and any other employee stock purchase plan (as defined in Section 423(b) of the Code) of the Company and its subsidiaries, to accrue at a rate which exceeds $25,000 of the fair market value of such Common Stock (determined at the date such Option is granted) for each calendar year in which the Option is outstanding at any time; and, provided, further, however, that the Committee may, in its discretion, set a fixed maximum number of shares of Common Stock that each eligible employee may purchase per Plan Period which number may not be greater than the number of shares of Common Stock determined by using the formula in the first clause of this Section 9(a) and which number shall be subject to the second clause of this Section 9(a).

   (b) **Option Price.** The Board or the Committee shall determine the Option Price for each Plan Period, including whether such Option Price shall be determined based on the lesser of the closing price of the Common Stock on (i) the first business day of the Plan Period or (ii) the Exercise Date, or shall be based solely on the closing price of the Common Stock on the Exercise Date; provided, however, that such Option Price shall be at least 85% of the applicable closing price. In the absence of a determination by the Board or the Committee, the Option Price will be 85% of the lesser of the closing price of the Common Stock on (i) the first business day of the Plan Period or (ii) the Exercise Date. The closing price shall be (a) the closing price (for the primary trading session) on any national securities exchange on which the Common Stock is listed or (b) the average of the closing bid and asked prices in the over-the-counter-market, whichever is applicable, as published in The Wall Street Journal or another source selected by the Board or the Committee. If no sales of Common Stock were made on such a day, the price of the Common Stock shall be the reported price for the next preceding day on which sales were made.
(c) **Exercise of Option.** Each employee who continues to be a participant in the Plan on the Exercise Date shall be deemed to have exercised his or her Option at the Option Price on such date and shall be deemed to have purchased from the Company the number of whole shares of Common Stock reserved for the purpose of the Plan that his or her accumulated payroll deductions on such date will pay for, but not in excess of the maximum numbers determined in the manner set forth above.

(d) **Return of Unused Payroll Deductions.** Any balance remaining in an employee’s payroll deduction account at the end of a Plan Period will be automatically refunded to the employee, except that any balance that is less than the purchase price of one share of Common Stock will be carried forward into the employee’s payroll deduction account for the following Offering, unless the employee elects not to participate in the following Offering under the Plan, in which case the balance in the employee’s account shall be refunded.

10. **Issuance of Certificates.** Certificates representing shares of Common Stock purchased under the Plan may be issued only in the name of the employee, in the name of the employee and another person of legal age as joint tenants with rights of survivorship, or (in the Company’s sole discretion) in the name of a brokerage firm, bank, or other nominee holder designated by the employee. The Company may, in its sole discretion and in compliance with applicable laws, authorize the use of book entry registration of shares in lieu of issuing stock certificates.

11. **Rights on Retirement, Death or Termination of Employment.** If a participating employee’s employment ends before the last business day of a Plan Period, no payroll deduction shall be taken from any pay then due and owing to the employee and the balance in the employee’s account shall be paid to the employee. In the event of the employee’s death before the last business day of a Plan Period, the Company shall, upon notification of such death, pay the balance of the employee’s account (a) to the executor or administrator of the employee’s estate or (b) if no such executor or administrator has been appointed to the knowledge of the Company, to such other person(s) as the Company may, in its discretion, designate. If, before the last business day of the Plan Period, the Designated Subsidiary by which an employee is employed ceases to be a subsidiary of the Company, or if the employee is transferred to a subsidiary of the Company that is not a Designated Subsidiary, the employee shall be deemed to have terminated employment for the purposes of this Plan.

12. **Optionees Not Stockholders.** Neither the granting of an Option to an employee nor the deductions from his or her pay shall make such employee a stockholder of the shares of Common Stock covered by an Option under this Plan until he or she has purchased and received such shares.

13. **Options Not Transferable.** Options under this Plan are not transferable by a participating employee other than by will or the laws of descent and distribution, and are exercisable during the employee’s lifetime only by the employee.
14. **Application of Funds.** All funds received or held by the Company under this Plan may be combined with other corporate funds and may be used for any corporate purpose.

15. **Adjustment for Changes in Common Stock and Certain Other Events.**

   (a) **Changes in Capitalization.** In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of Common Stock other than an ordinary cash dividend, (i) the number and class of securities available under this Plan, (ii) the share limitations set forth in Section 9, and (iii) the Option Price shall be equitably adjusted to the extent determined by the Board or the Committee.

   (b) **Reorganization Events.**

      (1) **Definition.** A “Reorganization Event” shall mean: (a) any merger or consolidation of the Company with or into another entity as a result of which all of the Common Stock of the Company is converted into or exchanged for the right to receive cash, securities or other property or is cancelled, (b) any transfer or disposition of all of the Common Stock of the Company for cash, securities or other property pursuant to a share exchange or other transaction or (c) any liquidation or dissolution of the Company.

      (2) **Consequences of a Reorganization Event on Options.** In connection with a Reorganization Event, the Board or the Committee may take any one or more of the following actions as to outstanding Options on such terms as the Board or the Committee determines: (i) provide that Options shall be assumed, or substantially equivalent Options shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), (ii) upon written notice to employees, provide that all outstanding Options will be terminated immediately prior to the consummation of such Reorganization Event and that all such outstanding Options will become exercisable to the extent of accumulated payroll deductions as of a date specified by the Board or the Committee in such notice, which date shall not be less than ten (10) days preceding the effective date of the Reorganization Event, (iii) upon written notice to employees, provide that all outstanding Options will be cancelled as of a date prior to the effective date of the Reorganization Event and that all accumulated payroll deductions will be returned to participating employees on such date, (iv) in the event of a Reorganization Event under the terms of which holders of Common Stock will receive upon consummation thereof a cash payment for each share surrendered in the Reorganization Event (the “Acquisition Price”), change the last day of the Plan Period to be the date of the consummation of the Reorganization Event and make or provide for a cash payment to each employee equal to (A) (1) the Acquisition Price times (2) the number of shares of Common Stock that the employee’s accumulated payroll deductions as of immediately prior to the Reorganization Event could purchase at the Option Price, where the Acquisition Price is treated as the fair market value of the Common Stock on the last day of the applicable Plan Period for purposes of determining the Option Price under Section 9(b) hereof, and where the number of shares that could be purchased is subject to the limitations set forth in Section 9(a), minus (B) the result of multiplying such number of shares by such Option Price, (v) provide that, in connection with a liquidation or dissolution of the Company, Options shall convert into the right to receive liquidation proceeds (net of the Option Price thereof) and (vi) any combination of the foregoing.
For purposes of clause (i) above, an Option shall be considered assumed if, following consummation of the Reorganization Event, the Option confers the right to purchase, for each share of Common Stock subject to the Option immediately prior to the consummation of the Reorganization Event, the consideration (whether cash, securities or other property) received as a result of the Reorganization Event by holders of Common Stock for each share of Common Stock held immediately prior to the consummation of the Reorganization Event (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock); provided, however, that if the consideration received as a result of the Reorganization Event is not solely common stock of the acquiring or succeeding corporation (or an affiliate thereof), the Company may, with the consent of the acquiring or succeeding corporation, provide for the consideration to be received upon the exercise of Options to consist solely of such number of shares of common stock of the acquiring or succeeding corporation (or an affiliate thereof) that the Board determines to be equivalent in value (as of the date of such determination or another date specified by the Board) to the per share consideration received by holders of outstanding shares of Common Stock as a result of the Reorganization Event.

16. Amendment of the Plan. The Board may at any time, and from time to time, amend or suspend this Plan or any portion thereof, except that (a) if the approval of any such amendment by the shareholders of the Company is required by Section 423 of the Code, such amendment shall not be effected without such approval, and (b) in no event may any amendment be made that would cause the Plan to fail to comply with Section 423 of the Code.

17. Insufficient Shares. If the total number of shares of Common Stock specified in elections to be purchased under any Offering plus the number of shares purchased under previous Offerings under this Plan exceeds the maximum number of shares issuable under this Plan, the Board or the Committee will allot the shares then available on a pro-rata basis.

18. Termination of the Plan. This Plan may be terminated at any time by the Board. Upon termination of this Plan all amounts in the accounts of participating employees shall be promptly refunded.

19. Governmental Regulations. The Company’s obligation to sell and deliver Common Stock under this Plan is subject to listing on a national stock exchange (to the extent the Common Stock is then so listed or quoted) and the approval of all governmental authorities required in connection with the authorization, issuance or sale of such stock.

20. Governing Law. The Plan shall be governed by Delaware law except to the extent that such law is preempted by federal law.

21. Issuance of Shares. Shares may be issued upon exercise of an Option from authorized but unissued Common Stock, from shares held in the treasury of the Company, or from any other proper source.

22. Notification upon Sale of Shares. Each employee agrees, by participating in the Plan, to promptly give the Company notice of any disposition of shares purchased under the Plan where such disposition occurs within two years after the date of grant of the Option pursuant to which such shares were purchased.
23. **Grants to Employees in Foreign Jurisdictions.** The Company may, to comply with the laws of a foreign jurisdiction, grant Options to employees of the Company or a Designated Subsidiary who are citizens or residents of such foreign jurisdiction (without regard to whether they are also citizens of the United States or resident aliens (within the meaning of Section 7701(b)(1)(A) of the Code)) with terms that are less favorable (but not more favorable) than the terms of Options granted under the Plan to employees of the Company or a Designated Subsidiary who are resident in the United States. Notwithstanding the preceding provisions of this Plan, employees of the Company or a Designated Subsidiary who are citizens or residents of a foreign jurisdiction (without regard to whether they are also citizens of the United States or resident aliens (within the meaning of Section 7701(b)(1)(A) of the Code)) may be excluded from eligibility under the Plan if (a) the grant of an Option under the Plan to a citizen or resident of the foreign jurisdiction is prohibited under the laws of such jurisdiction or (b) compliance with the laws of the foreign jurisdiction would cause the Plan to violate the requirements of Section 423 of the Code. The Company may add one or more appendices to this Plan describing the operation of the Plan in those foreign jurisdictions in which employees are excluded from participation or granted less favorable Options.

24. **Authorization of Sub-Plans.** The Board may from time to time establish one or more sub-plans under the Plan with respect to one or more Designated Subsidiaries, provided that such sub-plan complies with Section 423 of the Code.

25. **Withholding.** If applicable tax laws impose a tax withholding obligation, each affected employee shall, no later than the date of the event creating the tax liability, make provision satisfactory to the Board for payment of any taxes required by law to be withheld in connection with any transaction related to Options granted to or shares acquired by such employee pursuant to the Plan. The Company may, to the extent permitted by law, deduct any such taxes from any payment of any kind otherwise due to an employee.

26. **Effective Date and Approval of Shareholders.** The Plan shall take effect as of the immediately prior to the effectiveness of the Company’s registration statement with respect to its initial public offering, subject to approval by the shareholders of the Company as required by Section 423 of the Code, which approval must occur within twelve months of the adoption of the Plan by the Board.

Adopted by the Board of Directors on June 16, 2018

Approved by the stockholders on June 21, 2018
Effective upon the completion of the initial public offering (“IPO”) of Constellation Pharmaceuticals, Inc. (the “Company”), the Company’s non-employee directors shall receive the following compensation for their service as members of the Board of Directors (the “Board”) of the Company.

**Director Compensation**

Our goal is to provide compensation for our non-employee directors in a manner that enables us to attract and retain outstanding director candidates and reflects the substantial time commitment necessary to oversee the Company’s affairs. We also seek to align the interests of our directors and our stockholders and we have chosen to do so by compensating our non-employee directors with a mix of cash and equity-based compensation.

**Cash Compensation**

The fees that will be paid to our non-employee directors for service on the Board, and for service on each committee of the Board on which the director is then a member, and the fees that will be paid to the chairperson of the Board, if one is then appointed, and the chairperson of each committee of the Board will be as follows:

<table>
<thead>
<tr>
<th>Committee</th>
<th>Member Annual Fee</th>
<th>Chairman Incremental Fee</th>
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<tbody>
<tr>
<td>Board of Directors</td>
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<tr>
<td>Audit Committee</td>
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<td>$7,500</td>
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<tr>
<td>Nominating and Corporate Governance Committee</td>
<td>$3,500</td>
<td>$4,000</td>
</tr>
</tbody>
</table>

The foregoing fees will be payable in arrears in four equal quarterly installments on the last day of each quarter, provided that the amount of such payment will be prorated for any portion of such quarter that the director is not serving on our Board, on such committee or in such position, and no fee shall be payable in respect of any period prior to the completion of our initial public offering.
Equity Compensation

Initial Grants. Upon initial election to our Board, each non-employee director will be granted, automatically and without the need for any further action by the Board, an initial equity award of an option to purchase 290,000 shares of our common stock. The initial award shall have a term of ten years from the date of the award, and shall vest and become exercisable as to 1/36 of the shares underlying such award at the end of each successive one-month period following the grant date until the third anniversary of the grant date, subject to the director’s continued service as a director, employee or consultant through each applicable vesting date. The vesting shall accelerate as to 100% of the shares upon a change in control of the Company. The exercise price shall be the closing price of our common stock on the date of grant, provided that the exercise price pursuant to the foregoing clause (i) shall be the price at which the shares are sold to the public in the IPO.

Annual Grants. Each non-employee director who has served as a member of our Board for at least six months prior to the date of our annual meeting of stockholders for a particular year will be granted, automatically and without the need for any further action by the Board, an equity award on the date of our annual meeting of stockholders for such year of an option to purchase 145,000 shares of our common stock. The annual award shall have a term of ten years from the date of the award, and shall vest and become exercisable in full on the one-year anniversary of the date of the award, subject to the director’s continued service as a director, employee or consultant through each applicable vesting date. The vesting shall accelerate as to 100% of the shares upon a change in control of the Company. The exercise price shall be the closing price of our common stock on the date of grant.

The foregoing share amounts shall be automatically adjusted in the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event effecting our common stock, or any distribution to holders of our common stock other than an ordinary cash dividend, in each case only if such event occurs after the completion of the initial public offering.

The initial awards and the annual awards shall be subject to the terms and conditions of our 2018 Equity Incentive Plan, or any successor plan, and the terms of the option agreements entered into with each director in connection with such awards.

Expenses

Upon presentation of documentation of such expenses reasonably satisfactory to the Company, each non-employee director shall be reimbursed for his or her reasonable out-of-pocket business expenses incurred in connection with attending meetings of the Board and committees thereof or in connection with other business related to the Board, and each non-employee director shall also be reimbursed for his or her reasonable out-of-pocket business expenses authorized by the Board or a committee of the Board that are incurred in connection with attendance at various conferences or meetings with management of the Company, in accordance with the Company’s travel policy, as it may be in effect from time to time.
LICENSE AND COLLABORATION AGREEMENT

BETWEEN

GENENTECH, INC.,

F. HOFFMANN-LA ROCHE LTD

AND

CONSTELLATION PHARMACEUTICALS, INC.
<table>
<thead>
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LICENSE AND COLLABORATION AGREEMENT

THIS LICENSE AND COLLABORATION AGREEMENT ("Agreement") dated January 9, 2012 ("Signing Date"), is effective as of the Effective Date by and between Genentech, Inc., a Delaware corporation, having a principal place of business at 1 DNA Way, South San Francisco, California 94080 ("Genentech"), F. Hoffmann-La Roche Ltd, Grenzacherstrasse 124, CH4070 Basel Switzerland ("Roche") (Genentech and Roche together referred to as "Licensee") and Constellation Pharmaceuticals, Inc., a Delaware corporation, having a principal place of business at 215 First Street, Cambridge, MA, 02142 ("Constellation"). Licensee and Constellation are each referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

A. Constellation possesses certain expertise and proprietary technologies related to the field of epigenetics.
B. Genentech is engaged in the research, development, manufacture and sale of pharmaceutical products.
C. Constellation and Genentech wish to collaborate in the discovery of Collaboration Compounds (as defined below).
D. Contemporaneously with the execution of this Agreement, Constellation and Genentech have executed an Option Agreement (the "Option Agreement") pursuant to which Constellation has granted Genentech an option (the "Option") to acquire all of the equity interests in Constellation on the terms and conditions set forth in the Option Agreement.
E. Contemporaneously with the execution of this Agreement and the Option Agreement, Constellation, Genentech, Hydra Acquisition Corp. and Third Rock Ventures, LLC have executed an Agreement and Plan of Merger (the "Merger Agreement").

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Licensee and Constellation agree as follows:

Article 1
Definitions

Capitalized terms used in this Agreement shall have the meanings set forth below.
“Abandoning Party” is defined in Section 7.3(c)(v).

“Acquirer” is defined in Section 15.3.

“Adjustment” is defined in Section 6.3(g)(iv).

“Affiliate” of a Party means any corporation or other business entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such Party. For purposes of this definition, the term “control” (including, with the correlative meanings, “controlled by” and “under common control with”) means (a) the direct or indirect ownership of more than fifty percent (50%) of the stock having the right to vote for directors thereof (or general partnership interests) or (b) the ability to otherwise control the decisions of the board of directors or equivalent governing body thereof; provided, however, that any portfolio operating company of any stockholder of such Party (which stockholder is a venture capital fund or private equity fund) shall not be deemed to be “under common control with” such Party. In the case of Licensee, for purposes of this Agreement, the term “Affiliate” shall not include [*] unless and until Licensee provides written notice to Constellation specifying [*] as an Affiliate of Licensee. Notwithstanding such written notice, if [*] does not agree to be bound by the terms and conditions of this Agreement, then [*] shall have none of the rights and obligations of an Affiliate of Licensee under this Agreement.

“Alliance Managers” is defined in Section 2.12.

“Bankruptcy Code” means Title 11 of the United States Code (the “United States Bankruptcy Code”), or any comparable bankruptcy and insolvency laws in any jurisdiction. References in this Agreement to particular paragraphs or other Sections of the Bankruptcy Code shall refer to the United States Bankruptcy Code and, with respect to the Bankruptcy Code of another jurisdiction, shall be interpreted to the extent applicable to such Bankruptcy Code.

“BET Chromatin-Bromodomain Containing Readers” or “BET” means any of the following [*] tandem bromodomain-containing proteins, including wildtype proteins, any engineered or disease associated mutants, any polymorphisms, any splice variants and any translocations thereof: [*].

“Bundled Sale” is defined in Section 6.6.

“Business Day” means a day, other than a Saturday, Sunday or day on which commercial banks located in San Francisco, California, Boston, Massachusetts or Basel, Switzerland are authorized or required by law or regulation to close.
“[**]” means any of the following proteins, including wildtype proteins, any engineered or disease associated mutants, any polymorphisms, any splice variants and any translocations thereof: [**]

“Class” means each of the following, separately: [**].

“Collaboration Compound” means, for each Draft Pick Target, a compound that (a) meets the Compound Criteria for such Draft Pick Target and is synthesized by or on behalf of a Researching Party pursuant to such Party’s activities under the Research Collaboration or (b) is an LO Compound. A Collaboration Compound includes the salts, solvates, polymorphs, esters, hydrates, isoforms, prodrugs, metabolites and enantiomers thereof.

“Collaboration Patent” is defined in Section 7.3(a)(ii).

“Combination Product” means any Licensed Product containing a Collaboration Compound(s) and one (1) or more additional active pharmaceutical compounds having independent therapeutic activity that are not the subject of this Agreement.

“Commercialization Milestone Event” means a milestone event set forth in Section 5.4(d).

“Commercialization Milestone Payment” is defined in Section 5.4(d).

“Commercializing Party” means Constellation, with respect to Collaboration Compounds and Licensed Products, and other compounds that meet the Compound Criteria, directed to a Constellation Draft Pick Target in the Field in the Territory, and Companion Diagnostics for use with such Collaboration Compounds and Licensed Products, and Licensee, with respect to Collaboration Compounds and Licensed Products, and other compounds that meet the Compound Criteria, directed to a Genentech Draft Pick Target in the Field in the Territory, and Companion Diagnostics for use with such Collaboration Compounds and Licensed Products.

“Commercially Reasonable Efforts” means, [**].

“Committed Funding” means (a) [**] U.S. Dollars ($[**]) with respect to the Initial Research Term (the “Initial Committed Funding”), and (b) if Genentech extends the Research Program for the First Extended Research Term, [**] U.S. Dollars ($[**]) with respect to the First Extended Research Term. The total amount of Committed Funding hereunder shall not exceed [**] U.S. Dollars ($[**]) absent the prior written consent of Genentech.
“Companion Diagnostic” means, with respect to a Licensed Product directed to a Draft Pick Target, or, for purposes of Section 4.5, a pharmaceutical product directed to a Target other than a Draft Pick Target, any product or service that:

(a) identifies a person having a disease or condition, or a molecular genotype or phenotype that predisposes a person to such disease or condition, for which such Licensed Product or other product (as applicable) could be used to treat and/or prevent such disease or condition;

(b) defines the prognosis or monitors the progress of a disease or condition in a person for which such Licensed Product or other product (as applicable) could be used to treat and/or prevent such disease or condition;

(c) is used to select a therapeutic or prophylactic regimen, wherein at least one (1) potential therapeutic or prophylactic regimen involves such Licensed Product or other product (as applicable), and where the selected regimen is determined, based on the use of such product or service, to likely be effective and/or to be safe for a person; and/or

(d) is used to confirm such Licensed Product’s or other product’s (as applicable) biological activity and/or to optimize dosing or the scheduled administration of such Licensed Product or other product (as applicable).

“Compound Criteria” is defined in Section 2.11(b).

“Compound Criteria Guidelines” is defined in Section 2.11(c)(i).

“Confidential Information” of a given Party means nonpublic information that is disclosed in connection with this Agreement (whether orally, electronically, visually or in writing) by or on behalf of such Party to the other Party or its designee. Notwithstanding anything to the contrary in this Agreement: (a) the terms and conditions of this Agreement shall be the Confidential Information of both Parties, and (b) information generated by either Party during the Research Term within the Research Collaboration IP shall be the Confidential Information of both Parties, provided that any such information in (b) that is related primarily to a Party’s Draft Pick Target and compounds that are directed to such Draft Pick Targets and meet the Compound Criteria shall be the Confidential Information solely of such Party.

“Consideration Period” is defined in Section 4.6(a).

“Constellation Draft Pick Target” is defined in Section 2.11(e).
"Constellation Key Employee" means each of the following individuals, or any other individual who succeeds to the responsibilities that each such individual has with respect to scientific activities at Constellation as of the Effective Date:

"Constellation Licensed IP" means all Patents and Know-How Controlled by Constellation as of the Effective Date or thereafter during the Term, that are necessary or useful for Licensee to make, have made, use, sell, offer for sale, import, research, discover, and develop Genentech Draft Pick Targets, compounds and products that are directed to the Genentech Draft Pick Targets and meet the Compound Criteria, including, without limitation, the Collaboration Compounds and Licensed Products, and Companion Diagnostics for use with the foregoing. Constellation Licensed IP shall not include (a) any Patents and Know-How within the Research Collaboration IP, or (b) any Patents licensed to Constellation pursuant to the Harvard License unless and until Genentech exercises the Harvard Option and the Parties execute the relevant sublicense agreement (and then only to the extent such Patents otherwise meet the definition of Constellation Licensed IP).

"Constellation Other IP" means all Patents and Know-How Controlled by Constellation as of the Effective Date or thereafter during the Research Term that are necessary or useful for the Parties to conduct their respective activities under the Research Collaboration and for Licensee to make, have made, use, sell, offer for sale, import, research, discover and develop Targets, compounds and products that are directed to Targets and Companion Diagnostics for use with the foregoing. Constellation Other IP does not include (a) any Patents and Know-How within the Research Collaboration IP, or (b) any Patent licensed to Constellation pursuant to the Harvard License unless and until Genentech exercises the Harvard Option and the Parties execute the relevant sublicense agreement (and then only to the extent such Patents otherwise meet the definition of Constellation Other IP).

"Constellation Platform" means the reagents, protocols, information, software tools, assays, materials, and Know-How Controlled by Constellation as of the Effective Date or any time during the Research Term that are necessary or useful for the discovery, research and development of Targets, and compounds directed thereto, including, without limitation, as set forth on Exhibit A. Constellation Platform does not include any Patents licensed to Constellation pursuant to the Harvard License unless and until Genentech exercises the Harvard Option and the Parties execute the relevant sublicense agreement (and then only to the extent such Patents otherwise meet the definition of Constellation Platform).

"Constellation Research IP" means any Patent Controlled by Constellation to the extent it claims the Constellation Platform, and any Know-How and other intellectual property rights contained in the Constellation Platform. Constellation Research IP does not include (a) any Patents and Know-How within the Research Collaboration IP, or (b) any Patent licensed to Constellation pursuant to the Harvard License unless and until Genentech exercises the Harvard Option and the Parties execute the relevant sublicense agreement (and then only to the extent such Patents otherwise meet the definition of Constellation Research IP).
“Constellation Research Collaboration Materials” is defined in Section 2.7(a).

“Controlled by” or “Control,” or the like, means the possession by a Party of, (a) with respect to materials or information, the right (other than solely pursuant to a license granted under this Agreement) to physical possession of those items, with the right to provide them to the other Party as provided for in this Agreement, or (b) with respect to intellectual property rights, the right (other than solely pursuant to a license granted under this Agreement) to grant the other Party a license, sublicense or other right to exploit as provided for in this Agreement, in the case of either (a) or (b), without violating (i) any law or governmental regulation or (ii) the terms of any agreement with a Third Party.

“Covered by” or “Covers,” or the like, means, with respect to a given Collaboration Compound or Licensed Product (as the case may be), that the sale or offer for sale of such Collaboration Compound or Licensed Product, but for ownership of, or a license granted in this Agreement under, the relevant Patent would infringe a Valid Issued Claim (or, a Valid Pending Claim if a patent containing such Valid Pending Claim were to issue) of such Patent in the country of sale on the date of sale.

“Diligent Efforts” means (a) with respect to Constellation, efforts and resources comparable, as measured on an average over a reasonable period of time, to those reasonably expended by Constellation on its highest priority projects (whether internal or for a Third Party); and (b) [**].

“(D)(directed to)” means, with respect to a compound and a target, that such compound binds to and modulates the activity of such target, and with respect to a product and a target, that such product contains a compound that binds to and modulates the activity of such target.

“Disclosing Party” is defined in Section 9.1.

“Dispute” or the like, means any controversy, claim or legal proceeding arising out of or relating to this Agreement, or the breach, termination or invalidity thereof. Notwithstanding the foregoing, for purposes of Sections 14.1 and 14.2, Disputes shall not include any disagreements solely about decisions for which (a) one Party has final decision making authority under this Agreement, including under Sections 2.5(e) and 2.11(c)(i), (ii) and (iii), or (b) the outside patent counsel has final decision making authority under this Agreement pursuant to Section 7.3(c)(vi).
“Draft Pick Target” is a Target that has been selected to enter the Draft Pool. In accordance with the guidelines set forth in Exhibit C, a Draft Pick Target may comprise a single Target or a cluster of Targets, as determined by the Parties at the time of the Draft Pool creation.

“Draft Pool” is defined in Section 2.11(a).

“Draft Pool Capacity” is defined in Section 2.11(a).

“Draft Pool Date” is defined in Section 2.11(a).

“Effective Date” means, subject to cancellation pursuant to Section 11.1, the date that is the earlier of (a) the date on which Constellation delivers to Genentech the certificate required under Section 2.4(b) of the Option Agreement, or (b) [**] after the Signing Date.

“EMA” means the European Medicines Authority, or any successor entity thereto performing similar functions.

“Executive” means, with respect to a Party, such Party’s executive (or such executive’s designee), in each case having subject matter expertise and the authority to finally decide a Dispute on behalf of such Party.

“Extension Fee” is defined in Section 5.3.

“EZH2” means any of the following proteins, including wildtype proteins, any engineered or disease associated mutants, any polymorphisms, any splice variants and any translocations thereof: [**], either singly or in complex with one another (in any combination).

“FDA” means the United States Food and Drug Administration, or any successor entity thereto performing similar functions.

“Field” means all uses.

“Field Infringement” is defined in Section 8.2(a)(ii).

“First Commercial Sale” means, on a country-by-country basis, the first invoiced sale of a Licensed Product to a Third Party by the Commercializing Party, its Affiliate or its Sublicensee following the receipt of any Regulatory Approval required for the sale of such Licensed Product, or if no such Regulatory Approval is required for sale of such Licensed Product, the date upon which the Licensed Product is first commercially (i.e., for the purpose of normal distribution and not compassionate use) sold in such country.
“First Extended Research Term” is defined in Section 2.2.

“FTE” means the equivalent of a full-time employee’s work time over a twelve (12) month period (taking into account normal vacations, weekends, sick days and holidays). The portion of an FTE year devoted by an employee to a particular activity or program shall be determined by dividing the number of full days worked (or relevant portion of partial days worked), assuming normal working hours, during such year devoted by such employee to such activity or program by the total number of working days (excluding normal vacations, weekends, sick days and holidays) during such year.

“FTE Payment” is defined in Section 5.2.

“FTE Rate” means a fully-burdened rate of [**] U.S. dollars ($[**]) per FTE per year, [**].

“FTE Report” is defined in Section 6.2(a).

“Genentech Background IP” means any Patents or Know-How Controlled by Genentech that are necessary or useful for the continued research, development and commercialization by Constellation, its Affiliates or sublicensees of a Constellation Draft Pick Target or compounds that are directed to a Constellation Draft Pick Target and meet the Compound Criteria, including Licensed Products or Collaboration Compounds Directed to a Constellation Draft Pick Target, or Companion Diagnostics for use with such Licensed Products or Collaboration Compounds.

“Genentech Draft Pick Target” is defined in Section 2.11(e).

“Genentech Research IP” means any (a) Patents and Know-How that are Controlled by Genentech as of the Effective Date or at any time during the Research Term that are necessary or useful for Constellation to perform its obligations under the Research Plan, and (b) Research Collaboration Materials provided by Genentech to Constellation during the course of the Research Collaboration for the purpose of Constellation performing its obligations under the Research Plan during the Research Term. Genentech Research IP shall not include any Patents and Know-How within the Research Collaboration IP.

“Generic Product” means, as to a Licensed Product, any product that (a) contains the same Collaboration Compound (including salts, solvates, polymorphs, esters, hydrates, isoforms, prodrugs, metabolites, enantiomers, etc.) contained in such Licensed Product as an active ingredient; and (b) is sold by a Third Party that is not a licensee or Sublicensee of the Commercializing Party or any of its Affiliates and that has not otherwise been authorized, directly or indirectly, by the Commercializing Party or any of its Affiliates.
“Genentech Research Collaboration Materials” is defined in Section 2.7(a).

“GLP” means the then current FDA regulations and guidelines for “Good Laboratory Practice,” as promulgated by the FDA under 21 CFR Part 58, as amended from time to time, or any foreign equivalents thereto in the country in which laboratory studies are conducted.

“gRED” is defined in Section 2.4(a).

“Harvard License” means the License Agreement by and between Constellation and the President and Fellows of Harvard College, dated as of February 5, 2009.

“Harvard Option” is defined in Section 4.9.

“[**]” means [**].

“[**]” means [**].

“IFRS” means the International Financial Reporting Standards.

“Indemnitor” is defined in Section 13.1(d).

“Indication” is defined in Section 5.4(c)(iii).

“Infringement” is defined in Section 8.1.

“Initial Research Term” is defined in Section 2.2.

“Insolvency Event” means (i) the rejection of this Agreement pursuant to Section 365 of the Bankruptcy Code following a Party’s filing of a voluntary petition for relief under the Bankruptcy Code (or any corresponding remedy under successor laws), (ii) the rejection of this Agreement pursuant to Section 365 of the Bankruptcy Code following the filing of an involuntary petition (except by or on behalf of the other Party) against a Party under the Bankruptcy Code (or any corresponding remedy under successor laws), (iii) the appointment of a receiver for all or substantially all of the Party’s business or property in conjunction with the cessation of that Party’s business and operations, or (iv) the Party’s making of a general assignment for the benefit of its creditors; provided in the case of proceedings covered by subsections (ii)-(iv), such proceedings are not dismissed within sixty (60) days after filing.

“Institutional Collaborator” means any academic or non-profit institution that does not meet the definition of a Permitted Contractor.
“Joint Project Team” or “JPT” is defined in Section 2.13(a).

“Joint Research Collaboration Materials” is defined in Section 2.7(a).

“Joint Research Committee” or “JRC” is defined in Section 2.5(a).

“JPT Co-Leader” is defined in Section 2.13(a).

“JRC Co-Chair” is defined in Section 2.5(b).

“Know-How” means all information, unpatented inventions (whether or not patentable), improvements, practices, formula, trade secrets, techniques, methods, procedures, knowledge, results, test data (including pharmacological, toxicological, pharmacokinetic and pre-clinical and clinical information and test data, related reports, structure-activity relationship data and statistical analysis), analytical and quality control data, protocols, processes, models, designs, and other information regarding discovery, development, marketing, pricing, distribution, cost, sales and manufacturing. Know-How shall not include any Patents.

“Licensed Product” means a product other than a Companion Diagnostic that contains a Collaboration Compound as an active ingredient.

“LO Compound” means, with respect to a Draft Pick Target, a compound directed to such Draft Pick Target that (a) meets the Compound Criteria for such Draft Pick Target and (b) was first synthesized by or on behalf of the relevant Commercializing Party during the applicable Tail Period in the course of the Commercializing Party’s further research and development of such Draft Pick Target.

“Late Stage Research Go Decision” or “LSR-Go” is defined in Section 5.4(c)(i).

“M&A Event” is defined in Section 15.3.

“Major EU Country” means any one of France, Germany, Italy, Spain and the United Kingdom.

“Merger Agreement” is defined in the Recitals.

“Milestone Event” means a Research and Development Milestone Event or a Commercialization Milestone Event.

“Milestone Payment” means a Research and Development Milestone Payment or a Commercialization Milestone Payment.
“Negotiating Party” is defined in Section 4.6(a).

“Negotiation Period” is defined in Section 4.6(a).

“Net Sales” is defined in Section 6.1(b).

“Net Sales Report” is defined in Section 6.2(b).

“Non-Abandoning Party” is defined in Section 7.3(c)(v).

“Option Agreement” is defined in the Recitals.

“Other Jurisdiction” is defined in Section 6.3(g)(ii).


“Patents” means all patents, provisional and non-provisional patent applications, pipeline protections and invention certificates, in any country, including any reissues, extensions, supplementary protection certificates, registrations, divisionals, continuations, continuations-in-part, reexaminations, substitutions or renewals thereof.

“Paying Party” is defined in Section 6.3(g)(ii).

“Permitted Contractor” means a Third Party or an Affiliate of a Party (but subject to Sections 2.4 and 4.1(b)) that, on behalf of a Party, performs activities under this Agreement (e.g., as a subcontractor or consultant), assigning all right, title and interest in the results of such activities to such Party.

“Person” means any person or entity, including any individual, trustee, corporation, partnership, trust, unincorporated organization, limited liability company, business association, firm, joint venture or governmental agency or authority.

“Phase I Clinical Trial” means a study in humans, conducted by or on behalf of Licensee, its Affiliate or a sublicensee, the principal purpose of which is a preliminary determination of the safety of a pharmaceutical product in healthy individuals or patients, as further described in 21 CFR § 312.21(a) (as may be amended) or foreign counterpart thereto, or a similar clinical study in a country other than the United States.
“Phase II Clinical Trial” means a study in humans, conducted by or on behalf of Licensee, its Affiliate or a sublicensee, the principal purpose of which is a determination of safety and efficacy of a pharmaceutical product in patients with the disease or condition under study, as further described in 21 CFR § 312.21(b) (as may be amended) or foreign counterpart thereto, or a similar clinical study in a country other than the United States.

“Phase III Clinical Trial” means a study in humans, conducted by or on behalf of Licensee, its Affiliate or a sublicensee, of the safety and efficacy of a pharmaceutical product that is prospectively designed, statistically powered and conducted to provide an adequate basis for obtaining Regulatory Approval to market such product for patients with the disease or condition under study, as further described in 21 CFR § 312.21(c) (as may be amended) or foreign counterpart thereto, or a similar clinical study in a country other than the United States.

“pRED” means Roche’s Pharma Research and Early Development organization (or its equivalent if reorganized).

“Prior CDA” is defined in Section 9.6.

“Prosecution and Maintenance” or “Prosecute and Maintain” is defined in Section 7.3(a)(i).

“Receiving Party” is defined in Section 9.1.

“Recipient Party” is defined in Section 6.3(g)(iv).

“Regulatory Approval” means all approvals, licenses, registrations or authorizations of any Regulatory Authority, necessary for the manufacturing, use, storage, import, transport, marketing and/or sale of a particular Licensed Product in a country or regulatory jurisdiction. For countries where governmental approval is required for pricing or reimbursement for a Licensed Product, “Regulatory Approval” shall not be deemed to occur until such pricing or reimbursement approval is obtained.

“Regulatory Authority” means (a) the FDA; (b) the EMA; or (c) any regulatory body performing similar functions in any jurisdiction anywhere in the Territory.

“Research and Development Milestone Event” means a milestone event set forth in Section 5.4(b).

“Research and Development Milestone Payment” is defined in Section 5.4(a).
“Research Collaboration” is defined in Section 2.1.

“Research Collaboration Invention” means (a) any invention, discovery or creation (including Collaboration Compounds, materials and Know-How or other intellectual property), whether or not patentable, that is first (i) conceived; (ii) discovered; or (iii) otherwise created, in each of the foregoing cases (i) through (iii), as a result of a Party (or its Permitted Contractors or Institutional Collaborators) performing activities under the Research Plan during the Research Term, regardless of whether conceived, discovered, or otherwise created solely or jointly by employees of Constellation or Genentech or their respective Permitted Contractors or Institutional Collaborators, and (b) any LO Compound.


“Research Collaboration Materials” is defined in Section 2.7(a).

“Research Plan” means a written research plan for the Research Collaboration as may be updated from time-to-time in accordance with Section 2.3. The initial Research Plan is attached hereto as Exhibit B.

“Research Term” is defined in Section 2.2.

“Researching Party” means Constellation or Genentech, acting through gRED.

“Royalty Bearing Patents” is defined in Section 5.4(d).

“Royalty Offsets” is defined in Section 5.5(f).

“Royalty Payment” is defined in Sections 5.5(a) and 5.5(b).

“Royalty Rate” is defined in Sections 5.5(a) and 5.5(b).

“Royalty Term” is defined in Section 5.5(c).

“Sales” is defined in Section 6.1(a).

“Second Extended Research Term” is defined in Section 2.2.
“Sublicensee” means, with respect to a given Licensed Product, a Third Party that is granted a sublicense, under the license under Section 4.4, to sell such Licensed Product (regardless of what other rights are or are not granted in such sublicense).

“Tail Period” means, for a Draft Pick Target, [**] after its selection from the Draft Pool by either Genentech or Constellation.

“Target” is defined in Section 2.1.

“Term” means the term of this Agreement.

“Terminated Country” means a country that has been terminated in accordance with Section 11.2, 11.3 or 11.4.

“Territory” means worldwide, excluding any Terminated Country.

“Third Party” means any Person other than a Party or an Affiliate of a Party.

“US GAAP” is defined in Section 6.1(a)(i).

“Valid Issued Claim” means a claim of a Patent that is issued and not expired or lapsed, which claim has not been (a) cancelled, withdrawn, abandoned, dedicated to the public or (b) revoked or held invalid, unpatentable or unenforceable by a patent office, court or other governmental agency of competent jurisdiction in a final and non-appealable judgment (or judgment from which no appeal was taken within the allowable time period).

“Valid Issued Claim Royalty” is defined in Section 5.5(a).

“Valid Pending Claim” means a claim (i) in a pending patent application which application has not been pending for more than five (5) years from the earliest application filing date to which the claim is entitled to priority and (ii) such claim has not been (A) rejected, cancelled, withdrawn, or abandoned, without the possibility of continued prosecution, or (B) finally determined to be unallowable in a decision from which an appeal has not or can no longer be taken.

“Valid Pending Claim Royalty” is defined in Section 5.5(b).
Article 2  
Research Collaboration

2.1 Research Collaboration Overview. The Researching Parties shall conduct a research collaboration program under which they will work together during the Research Term in accordance with a Research Plan to (a) discover and validate epigenetic targets in the following target Classes: [*] (but excluding BET and EZH2) (“Targets”), and (b) discover and develop compounds suitable for clinical development and commercialization that bind to and modulate such Targets (the “Research Collaboration”). In addition, the JRC may agree in writing to include other epigenetic targets within the Research Collaboration, and following final agreement on such targets by the JRC they shall thereafter be deemed Targets under the terms of this Agreement.

2.2 Research Collaboration Term. The initial research term shall commence on the Effective Date and shall continue for three (3) years thereafter (the “Initial Research Term”). The Initial Research Term may be extended by Genentech for [*], provided written notice of such extension is received by Constellation at least [*] prior to the expiration of the Initial Research Term (such year, the “First Extended Research Term”). In addition, on written notice received by Constellation at least [*] prior to the expiration of the First Extended Research Term, and subject to mutual agreement by the Parties and payment of the Extension Fee set forth in Section 5.3, Genentech may extend the Research Collaboration for [*] period, but solely with respect to a limited number of Targets, such scope to be negotiated in good faith by the Parties at the time Genentech requests such extension (the “Second Extended Research Term”). The full duration of the Research Collaboration is herein referred to as the “Research Term.” Consistent with Section 11.3, Genentech may stop the Research Collaboration (thereby ending the Research Term) at any time on [*] prior written notice to Constellation.

2.3 Research Plan.  
(a) Establishment. The initial Research Plan is attached to this Agreement as Exhibit B, and provides a general plan for the Initial Research Term, and covers the period from the Effective Date through the end of the first year in detail. Each subsequent year during the Research Term, the JRC shall establish and approve a detailed Research Plan for the next succeeding year and a general plan for the remaining period of the Research Term. The JRC shall review the Research Plan on an ongoing basis and, subject to Section 2.5(d), may make changes thereto as approved in writing or as reflected in agreed and approved minutes of the JRC meetings.

(b) Responsibilities; Conduct. The Research Collaboration will be carried out in accordance with the then current Research Plan. Each Researching Party will be responsible for the conduct of those activities within the Research Collaboration as are allocated to such Researching Party under such Research Plan. Each Researching Party shall use Diligent Efforts to perform its responsibilities under the Research Plan and shall cooperate with and provide reasonable support to the other Researching Party in such other Researching Party’s performance of its responsibilities thereunder. The Researching Parties shall use Commercially Reasonable Efforts to include in the Research Plan activities within each Class.
2.4 Research Term Exclusivity.

(a) During the Initial Research Term and the First Extended Research Term, if applicable, Genentech shall collaborate exclusively with Constellation, and Constellation shall ensure that it collaborates exclusively, each in research, target identification/validation and drug discovery activities against Targets. For clarity, it is understood that this Section 2.4 does not apply to either Party’s activities related to the BET, EZH2 or other targets that are not Targets.

(b) The Parties agree that the terms of this Agreement set forth the mutual understanding of the Parties as of the Effective Date with respect to the Research Collaboration. Notwithstanding the foregoing, promptly after the Effective Date, the Parties shall discuss in good faith the terms under which Genentech would agree to work exclusively with Constellation on BET and EZH2, and, in return, Constellation and Genentech would share additional information and materials related to their internal BET and EZH2 programs. The Parties expressly understand and agree that Constellation would in all cases retain sole control over Constellation’s BET and EZH2 programs. The Parties will negotiate such terms with a view to reaching agreement at the earliest practicable date. Except to the extent expressly described in this Agreement, including all exhibits attached hereto, neither Party shall have any obligation under this Agreement with respect to BET or EZH2, including any obligation to use for purposes of this Agreement, or otherwise provide to the other Party, anything discovered in such Party’s activities with respect to BET or EZH2.

(c) The Parties understand and agree that the Research Collaboration is between Constellation and gRED, and expressly excludes, and the do not limit the separate activities of, pRED, or any other research or development organizations which may exist within Licensee, for the duration of the Research Term.

2.5 Joint Research Committee.

(a) Establishment of the JRC and Subcommittees. Within after the Effective Date, the Researching Parties shall establish a joint research committee (“Joint Research Committee” or “JRC”), which shall be responsible for monitoring the Research Collaboration and planning and coordinating activities under the Research Plan. The JRC shall be composed of equal representation from each Researching Party, and shall have not more than representatives in total. The representatives shall be appropriate (in terms of their seniority, availability, function in their respective organizations, training and experience) for the stage of research for which activities under the Research Plan will be performed and the decisions being made.
(b) **JRC Co-Chairs.** Each Researching Party shall designate one of its representatives as its primary JRC contact for JRC matters (such Party’s “JRC Co-Chair”). A Researching Party may replace any or all of its representatives (and designated JRC Co-Chair) at any time upon prior written notice (including by email) to the other Researching Party’s JRC Co-Chair. From time to time, the JRC may establish subcommittees to oversee particular projects or activities, and such subcommittees will be constituted and operate as determined by the JRC. The [**]** JRC Co-Chair shall be responsible for scheduling Joint Research Committee meetings and setting meeting agendas, in each case considering any reasonable requests of Constellation. Either JRC Co-Chair may call an emergency JRC meeting for good cause by written request to the other Party.

(c) **Responsibilities of the JRC.** The Joint Research Committee shall be responsible for performing the following functions:

(i) reviewing and amending the Research Plan;

(ii) reviewing and approving the allocation of resources and efforts for the Research Collaboration;

(iii) evaluating the progress of the Research Collaboration, as compared with the objectives set forth in this Agreement and the Research Plan;

(iv) coordinating, as the primary conduit for, the transfer of information and materials between the Parties during the Research Term;

(v) discussing the target candidate profile for each Target;

(vi) maintaining and updating a list of programs for consideration as part of the Draft Pool;

(vii) maintaining a list of high priority Targets in accordance with Section A of the Research Plan;

(viii) determining which Targets will be included in the Draft Pool, together with their associated Compound Criteria; and

(ix) performing such other functions referred to the JRC in the Research Plan as appropriate to further the purposes of the Research Collaboration or as otherwise specified in this Agreement or agreed to by the Parties.

(d) **Areas Outside the JRC’s Authority.** The JRC shall have no authority other than that expressly set forth in this Agreement and, specifically, shall have no authority: (i) to amend, or make any legally binding interpretation of any provision of, this Agreement, (ii) to require Constellation to perform any activities other than as specified in the then current Research Plan, (iii) to impose any external costs on Constellation beyond those specified in Exhibit E, (iv) to determine whether or not a Party has met its diligence or other obligations under this Agreement, (v) to determine whether or not a breach of this Agreement has occurred, (vi) to waive compliance with any provisions of this Agreement, or (vii) to make any final or
binding decision that is expressly stated by this Agreement to require Constellation’s approval (absent express written approval by the Constellation JRC Co-Chair) or the approval of both Parties (absent express written approval by both Parties) or both Researching Parties (absent express written approval by the JRC Co-Chair for both Researching Parties). Written consent required pursuant to this Section 2.5(d) may be evidenced by finally approved minutes in accordance with Section 2.5(g).

(e) Decision Making Authority. With respect to the responsibilities of the Joint Research Committee, each Researching Party shall have one (1) collective vote in all decisions, and the Researching Parties shall attempt to make decisions by unanimous vote. If the JRC cannot reach agreement within [*] of an issue being brought to a vote, then the matter will be referred to an Executive of each Researching Party. If the Executives are unable to reach agreement within [*] of an issue being referred to them for consideration, then, except with regard to (i) finally determining whether a Target will be a Draft Pick Target and what the Compound Criteria for a Draft Pick Target will be (disputes about which will be addressed as set forth in Section 2.11(c)), or (ii) unilaterally amending the Research Plan such that Constellation is not involved in both target validation and lead discovery and optimization activities, to the extent each such activity is then being conducted during the Research Collaboration, and providing Constellation has such capabilities, Genentech shall have the right to finally decide the resolution to such dispute; provided, however, Constellation shall not be obligated, as a result of a deciding vote by Genentech, (A) to provide fewer or more Constellation FTEs each year than the numbers set forth in Section 2.8(b) during the Initial Research Term or the First Extended Research Term, if applicable, or (B) to include additional targets as Targets within the Research Collaboration.

(f) Meetings; Attendees. Once established, the Joint Research Committee shall meet at least [*] during its term of operations unless otherwise agreed by the Researching Parties. The JRC may meet in person or via teleconference, video conference or the like, provided that at least [*] shall be held in person, unless otherwise agreed by the Researching Parties. Each Researching Party shall bear the expense of its respective representatives’ participation in JRC meetings. If a Researching Party’s representative is unable to attend a given meeting, such Researching Party may designate a knowledgeable alternate to attend such meeting and perform the functions of such representative. Each Researching Party may invite a reasonable number of non-voting employees, consultants or scientific advisors to attend JRC meetings, provided that such invitees are bound by confidentiality obligations that are consistent with those set forth in this Agreement.

(g) Minutes; Other Documentation of Decisions. The Joint Research Committee shall keep minutes of its meetings that record in writing all decisions made, action items assigned or completed and other appropriate matters. Genentech shall be responsible for drafting meeting minutes and such draft minutes shall be sent to Constellation promptly after a meeting for review, comment and approval by both Researching Parties. A decision that may be made at a JRC meeting may also be made without a meeting if such decision is agreed to in
writing (including by email) by each Researching Party’s JRC Co-Chair (or its designee), provided that each Researching Party’s JRC Co-Chair’s (or its designee’s) written communication clearly indicates that such decision is a formal decision by such Researching Party’s JRC. Any modifications to the Research Plan that are approved by the JRC shall constitute an amendment to the Research Plan.

(h) **Term of JRC Operations.** The Joint Research Committee shall meet during the Research Term, and for [**] thereafter (or such longer period of time as the JRC may deem necessary, in particular in order for the Parties to finalize the selection of Draft Pick Targets from the Draft Pool). Thereafter, the JRC shall cease operations and perform no further functions under this Agreement.

2.6 **Records; Information Exchange and Reports.**

(a) **Records and Information Exchange Generally.** Each Researching Party shall maintain complete, current and accurate records of all research and development activities conducted by it in the conduct of the Research Collaboration, and all data and other Know-How resulting from such activities. Each Researching Party will use diligent efforts to make available and disclose to each other all Research Collaboration Inventions, including all Research Collaboration IP regarding compounds synthesized or discovered, initial leads, activities of leads, derivatives, and results of in vitro and in vivo studies, assay techniques and new assays, immediately after the Effective Date and promptly after the creation thereof throughout the Research Term, with significant discoveries or advances being communicated as soon as reasonably practical after such information is obtained or its significance is appreciated.

(b) **Reports.** At least [**] during the Research Term (which may be at a JRC meeting), the Researching Parties will exchange a written summary of their Research Collaboration research and results. Within [**] after the selection of Targets as Draft Pick Targets to be included in each the Draft Pool, each Researching Party shall provide to the other Researching Party a written report detailing all of the data and results obtained by such Researching Party related to any Draft Pick Targets selected by the other Party. In addition, following selection of the Draft Pick Targets, the Researching Parties will exchange information and materials in accordance with Section 2.11(f). Within [**] after the expiration or earlier termination of the Initial Research Term, and following the end of the First Extended Research Term or Second Extended Research Term, each Researching Party shall provide to the other Researching Party a final written report directed to any additional data and results obtained during the Research Term.

2.7 **Use of Research Collaboration Materials.**

(a) **Definition of Research Collaboration Materials.** “Research Collaboration Materials” means the tangible materials (including Collaboration Compounds) that, in the performance of the Research Collaboration, are (i) created by or on behalf of Constellation or Genentech (the “Joint Research Collaboration Materials”); (ii) provided by
or on behalf of Genentech to Constellation which materials were first created other than in the performance of the Research Collaboration (the “Genentech Research Collaboration Materials”); or (iii) provided by or on behalf of Constellation to Genentech which materials were first created other than in the performance of the Research Collaboration (the “Constellation Research Collaboration Materials”). Joint Research Collaboration Materials provided by one Researching Party to the other Researching Party during the Research Collaboration shall remain Joint Research Collaboration Materials.

(b) **Joint Research Collaboration Materials.** Subject to the terms of this Agreement, including, without limitation the obligations of exclusivity set forth in Section 2.4 and the licenses set forth in Article 4, each Party may use Joint Research Collaboration Materials for any purpose and may transfer such Joint Research Collaboration Materials to Third Parties and Affiliates. On completion of the Research Term, at Genentech’s request, Constellation shall transfer to Genentech reasonable quantities of Joint Research Collaboration Materials then in Constellation’s Control.

(c) **Genentech Research Collaboration Materials.** Constellation may use Genentech Research Collaboration Materials only for the purpose of performing activities under the Research Plan. Constellation shall not transfer any Genentech Research Collaboration Materials to, or permit the use of any Genentech Research Collaboration Materials by, any Third Party or any Constellation Affiliate, other than Permitted Contractors as permitted under Section 2.9. On expiration or termination of the Research Term, Constellation shall destroy or, at Genentech’s written request, return, any Genentech Research Collaboration Material then remaining in Constellation’s Control. Genentech shall have the right to use the Genentech Research Collaboration Materials for any purposes and to transfer Genentech Research Collaboration Materials to Third Parties and Affiliates.

(d) **Constellation Research Collaboration Materials.** Subject to the terms of this Agreement, including, without limitation the obligations of exclusivity set forth in Section 2.4 and the licenses set forth in Article 4, each Party may use Constellation Research Collaboration Materials for any purpose and may transfer such Constellation Research Collaboration Materials to Third Parties and Affiliates.

(e) **Transfer During Research Term.** During the Research Term, on a Researching Party’s request, the other Researching Party shall transfer a reasonable quantity of any Research Collaboration Materials in its possession to the requesting Researching Party, for purposes of performing the activities under the Research Plan.

(f) **Constellation Platform.** During and on completion of the Research Term, Constellation shall transfer to Genentech reasonable quantities of Research Collaboration Materials comprising the Constellation Platform in accordance with the Research Plan and as further requested by Genentech, in order to enable Genentech to practice its license rights under Section 4.2 (Constellation Platform License).
(g) **Transfer of Collaboration Compounds.** Within [**] after the completion of the Draft Pool selection processes pursuant to Section 2.11, the Researching Parties shall consult regarding their then existing supply of Collaboration Compounds. If a Researching Party determines that it has in its possession a materially smaller quantity of any Collaboration Compound as compared to the quantity in the Control of the other Researching Party, then it shall so notify such other Research Party and such other Researching Party shall transfer to such Researching Party a sufficient amount of such Collaboration Compound such that each Researching Party shall have approximately equal amounts of such Collaboration Compound.

2.8 **Funded Constellation FTEs.**

(a) **Generally.** Subject to the payment of the Committed Funding in accordance with Sections 5.2 and 6.3, Constellation shall provide Constellation FTEs for performance of the research and other activities for which Constellation is responsible under the Research Plan. Each individual included in the funded FTEs shall possess a bachelor’s degree or higher in a relevant scientific discipline and shall be experienced in the type of research or other activities to be performed by such individual under the Research Plan. At Genentech’s request, Constellation shall provide resumes or *curricula vitae* for funded FTEs in order for Genentech to ensure such individuals have the appropriate qualifications.

(b) **Number of FTEs.** While the actual number of FTEs may fluctuate on a month-to-month basis, Constellation shall commit to the Research Collaboration, and, in which case, Genentech shall fund, (i) for the Initial Research Term, (A) [**] Constellation FTEs in the first year; (B) [**] Constellation FTEs in the second year, and (C) [**] Constellation FTEs in the third year, and (if applicable) (ii) for the First Extended Research Term, [**] Constellation FTEs. On an annual basis, Genentech shall have no FTE support payment obligation for any number of Constellation FTEs beyond the number of Constellation FTEs set forth in this Section 2.8(b), *provided, however, with respect solely to the Initial Research Term, the actual number of Constellation FTEs may fluctuate by up to [**] Constellation FTEs each year; provided further that Genentech will not have any FTE support payment obligation for, and Constellation shall not be required to commit, more than [**] in total over the Initial Research Term.*

(c) **Constellation Key Employees.** While employed by Constellation or an Affiliate of Constellation, the Constellation Key Employees shall devote work-time to the Research Collaboration as reasonably necessary to diligently fulfill Constellation’s responsibilities under the Research Collaboration, including its obligations under Section 2.3(b) to use Diligent Efforts to perform its responsibilities under the Research Plan.
2.9 Permitted Contractors.

(a) **Constellation’s Permitted Contractors.** Other than Permitted Contractors who are chemists (which are addressed in Section 2.9(c)), if specified in the Research Plan, or agreed to in writing by the JRC, Constellation may, in accordance with Section 2.10, use Permitted Contractors to perform Constellation’s activities under the Research Plan, provided Constellation shall ensure such activities are subject to a written agreement under which such Permitted Contractor is permitted to use and transfer such Research Collaboration Materials only in accordance with Section 2.7.

(b) **Genentech’s Permitted Contractors.** Genentech may, at Genentech’s expense, use Permitted Contractors to perform Genentech’s activities under the Research Plan, provided Genentech shall ensure such activities are subject to a written agreement under which such Permitted Contractor is permitted to use and transfer such Research Collaboration Materials only in accordance with Section 2.7.

(c) **Permitted Contractor Chemists.** Genentech, at Genentech’s expense, shall be responsible for engaging any Permitted Contractors that are chemists to carry out activities under the Research Plan. On a project-by-project basis Constellation may directly manage a specific number of such Permitted Contractor chemists, in accordance with the strategy laid out by the JPT and the JRC. For each project, the number of such Permitted Contractor chemists to be managed by Constellation shall be determined by the JRC.

(d) **Institutional Collaborations.** Any proposal by either Party to work with an Institutional Collaborator in order to perform activities under the Research Plan must be reviewed and mutually approved by the Parties.

2.10 Costs Other than for Funded Constellation FTEs. Except as otherwise expressly provided in this Agreement (including the inclusion in FTE Payments of the items set forth in Exhibit F), the Researching Parties shall determine in good faith the allocation of any out-of-pocket costs (other than the items set forth in Section 2.9(c) or Exhibit F) incurred in performing activities under the Research Plan; provided, however, that neither Researching Party shall be obligated to bear such costs or to be responsible for any activity resulting in out-of-pocket costs, without such Researching Party’s consent. For clarity, any out-of-pocket costs incurred by Constellation in performing its activities under the Research Plan for the items set forth in Exhibit F shall in all cases be allocated to Constellation and deemed included as part of the FTE Rate.

2.11 Target Selection and Further Development.

(a) **Creation of Draft Pool.** Throughout the Research Term, following the guidelines set forth in Exhibit C, the JRC shall keep a running list of Targets that might be eligible for selection under the Draft Pool. Not later than [**] prior to the last day of the Initial Research Term (or the First Extended Research Term if so extended) (the “Draft Pool Date”), the JRC will create a list of [**] (or such lower number as the Researching Parties may agree to) (such number the “Draft Pool Capacity”) Draft Pick Targets (the “Draft Pool”). Draft Pick Targets in the Draft Pool will be divided up in accordance with this Section 2.11 for further development by the Parties.
(b) Compound Criteria.

(i) Not later than the Draft Pool Date, for each Draft Pick Target included in the Draft Pool, the JRC will set specific criteria defining the related compound parameters (e.g., potency/selectivity of compounds, etc.) (the "Compound Criteria") for a compound to be considered a Collaboration Compound for a particular Draft Pick Target. The Compound Criteria for each Draft Pick Target will be as narrow as reasonable based on the science available at the time.

(ii) If a compound meets the Compound Criteria associated with a Draft Pick Target that is exclusively licensed to a Party, and if the Party who is not exclusively licensed such Draft Pick Target can demonstrate that the compound’s activity is due to modulation of a target that is not the exclusively licensed Draft Pick Target (as demonstrated by a biochemical, cellular and/or in vivo PD model), then the Parties will discuss in good faith whether such compound should be deemed not to meet the Compound Criteria definition for the applicable Draft Pick Target. During such discussions, each Party shall give due consideration to all scientific information presented by the other Party. Following such discussions, either Party may make a written request to the other Party to deem such compound as not meeting the Compound Criteria for the applicable Draft Pick Target. Such other Party shall not unreasonably withhold its consent to such request.

(c) Resolution of Draft Pool and Compound Criteria Disputes. If the JRC is unable to agree on the inclusion of a Target as a Draft Pick Target in the Draft Pool, or upon final Compound Criteria for any Draft Pick Target, by the Draft Pool Date, then the Researching Parties shall finalize such Draft Pool within the [*] thereafter as follows, with each Researching Party making its selection within a period equal to [*] per Target specified in clauses (i) or (ii) (subject to clauses (iii) and (iv)), as applicable:

(i) [*] shall have the right to select [*] additional Targets to include in such Draft Pool and shall create the associated Compound Criteria following the guidelines set forth on Exhibit D (the "Compound Criteria Guidelines") therefor; provided that [*] may select [*] for inclusion if the Draft Pool would reach the applicable Draft Pool Capacity following such selection.

(ii) If, following any inclusion of additional Targets pursuant to the preceding clause (i), the Draft Pool has not reached the Draft Pool Capacity, [*] shall have the right to select [*] to include in the Draft Pool and shall create the associated Compound Criteria following the Compound Criteria Guidelines therefor.

(iii) If, following any inclusion of the additional Target pursuant to the preceding clause (ii), the Draft Pool has not reached the applicable Draft Pool Capacity, additional Target(s) may be selected for inclusion in the Draft Pool by the alternating application of the preceding clauses (i) and (ii) until the Draft Pool reaches the applicable Draft Pool Capacity or the Parties otherwise agree to finalize the Draft Pool beneath the Draft Pool Capacity.
(iv) For clarity, (A) in creating the Compound Criteria for the relevant Draft Pick Target, the applicable Party shall follow the guidelines set forth on Exhibit D, and (B) the inclusion by a Party of a Target in the Draft Pool in no way reserves such Target for such Party.

(d) Draft Pick Targets. Within the [*] after the Draft Pick Targets and Compound Criteria are finalized, Draft Pick Targets will be selected, in writing, by each of the Researching Parties. Selections will be made as follows:

(i) if [*] or more Targets have achieved LSR-Go on the Draft Pool Date (whether or not such Targets are Draft Pick Targets), then selection will be made in the following sequence:

- first [*] shall have [*] to select [*],
- then [*] shall have [*] to select [*],
- then [*] shall have [*] to select [*],
- then [*] shall have [*] to select [*],
- then [*] shall have [*] to select [*],
- then [*] shall have [*] to select [*], and
- then [*] shall have [*] to select [*]; and

(ii) otherwise, selection will be made in the following sequence:

- first [*] shall have [*] to select [*] (subject to clause (iii)),
- then [*] shall have [*] to select [*],
- then [*] shall have [*] to select [*],
- then [*] shall have [*] to select [*],
- then [*] shall have [*] to select [*], and
- then [*] shall have [*] to select [*];

(iii) if clause (ii) applies, then [*] may not, as a result of selecting its fourth (4th) Draft Pick Target, select all of the Targets in the Draft Pool from a particular Class (unless there is [*] in the Draft Pool from such Class) unless [*], during its [*] initial selection period, first offers such Target(s) to [*], in which case [*] shall have [*] to (A) select such Target(s) as [*] first Draft Pick Target, or (B) decline such Target(s) as [*] first
Draft Pick Target, in which case [**] may, during the remainder of such [**] period plus [**], select such Target. For clarity, [**] is in no way limited in its selection of any Draft Pick Target, other than its selection of its fourth Draft Pick Target under subsection 2.11(d)(ii).

(iv) A Party’s failure to make its Draft Pick Target selection(s) within the time allotted in clause (i), (ii) or (iii) above shall not prevent the other Party from making its selection in the subsequent bullet.

(e) Draft Pick Target Table and Definitions. Table 1 below illustrates the foregoing selection process. Draft Pick Targets selected by Genentech are referred to as “Genentech Draft Pick Targets”, and Draft Pick Targets selected by Constellation are referred to as “Constellation Draft Pick Targets”.

Table 1

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</table>

25
(f) Development of Draft Pick Targets; Information Exchange. Within [**] after all Draft Pick Targets are selected, Genentech and Constellation shall each submit to the other, to the extent related to any Draft Pick Target such other Party has selected: detailed procedures for synthesizing any compounds discovered in performance of the Research Collaboration, and any other information and data (including raw data) generated by such Party during the Research Collaboration and not previously exchanged between the Parties and the Party selecting the relevant Draft Pick Target may use such information. The foregoing information may be included in the report required under Section 2.6(b).

(g) Targets Not Selected. Unless included as mutually agreed by the Parties within the scope of the Second Extended Research Term, and subject to the licenses granted in accordance with Section 4.4, each Party is free to further research, develop and commercialize Targets that are not Draft Pick Targets and compounds directed to such Targets. Within [**] after the last Draft Pick Target is selected from the Draft Pool, Genentech and Constellation shall each submit to the other, to the extent related to any Targets that are not Draft Pick Targets: detailed procedures for synthesizing any compounds discovered in performance of the Research Collaboration, and any other information and data (including raw data) generated by such Researching Party during the Research Collaboration and not previously exchanged between the Researching Parties.

2.12 Alliance Manager. Promptly following the Effective Date, each Researching Party shall appoint a representative within such Researching Party as the primary contact for matters related to this Agreement, unless another contact is expressly specified in this Agreement or designated by the JRC for a particular purpose (the “Alliance Managers”). The Alliance Managers shall facilitate communication and collaboration between the Parties and shall seek to facilitate resolution of potential and pending issues and potential disputes to enable the JRC (during the Research Term) and the Parties (during the term of this Agreement) to reach consensus and avert escalation of such issues or potential disputes. Either Researching Party may replace its Alliance Manager at any time upon prior written notification (including by email) to the other Researching Party.

2.13 Joint Project Team.

(a) Establishment of the JPT. Within [**] after the Effective Date, the Researching Parties shall establish a Joint Project Team (“Joint Project Team” or “JPT”) to define, coordinate and implement all activities related to performance of the Research Plan. The JPT shall be composed of representatives designated by each Researching Party (and the Researching Parties need not have the same number of representatives). The JPT shall include individuals with expertise and responsibilities in the areas applicable to the stage of research of the Targets. Each Researching Party shall designate one of its representatives as its primary JPT contact (such Researching Party’s “JPT Co-Leader”). A Researching Party may replace any or all of its JPT representatives (and designated JPT Co-Leader) at any time and shall provide prior written notice (including by email) to the other Researching Party’s JPT Co-Leader of any such change.
(b) Responsibilities of the JPT. The Joint Project Team shall perform the following functions with respect to the Target(s) for which it is responsible:

(i) prepare (on an annual basis) any proposed amendments to the Research Plan in accordance with Section 2.3 and other provisions of this Agreement, and submit proposed amendments to the Research Plan to the JRC for approval;

(ii) prepare (on an annual basis) proposals for any annual FTE forecasts (and any proposals for amendments thereto) in accordance with Section 2.8 and other provisions of this Agreement, and submit such proposals to the JRC for approval;

(iii) implement Research Plans, ensuring that activities thereunder are performed in accordance with the approved timelines and budgets;

(iv) ensure that each Researching Party keeps the JPT informed regarding all material activities performed by such Researching Party under this Agreement that are within the purview of the JPT; and

(v) perform such other functions as delegated to it by the JRC in writing or as specified in this Agreement.

(c) Decision Making Authority. With respect to the responsibilities of the Joint Project Team, each Researching Party shall have one (1) collective vote in all decisions, and the Researching Parties shall attempt to make decisions by unanimous vote. If the JPT cannot reach agreement within [**] of the disputed matter being brought to a vote, the matter shall be referred to the Joint Research Committee, which shall resolve such matter in accordance with Section 2.5(e), subject to Section 2.5(d).

(d) Meetings; Attendees. Once established, the JPT shall meet at least [**] during its term of operations unless otherwise agreed by the Researching Parties. The JPT may meet in person or via teleconference, video conference or the like, provided that at least [**] shall be held in person, unless otherwise agreed by the Researching Parties. Each Researching Party shall bear the expense of its respective representatives’ participation in JPT meetings. If a Researching Party’s representative is unable to attend a given meeting, such Researching Party may designate a knowledgeable alternate to attend such meeting and perform the functions of such representative. Each Researching Party may invite a reasonable number of non-voting employees, consultants or scientific advisors to attend JPT meetings, provided that such invitees are bound by confidentiality obligations that are consistent with those set forth in this Agreement.

(e) Minutes; Other Documentation of Decisions. The JPT shall keep minutes of its meetings that record in writing all decisions made, action items assigned or completed and other appropriate matters. [**] shall be responsible for drafting meeting minutes and such draft minutes shall be sent to [**] promptly after a meeting for review, comment and approval by both Researching Parties. A decision that may be made at a JPT meeting may also be made without a meeting if such decision is agreed to in writing (including by email) by each Researching Party’s JPT Co-Leader (or its designee), provided that each Researching Party’s written communication clearly indicates that such decision is a formal decision by such Researching Party’s JPT.
(f) **Term of the JPT Operations.** The Joint Project Team shall continue to exist until the end of the Research Term. Thereafter, the JPT shall cease operations and perform no further functions hereunder.

(g) **Additional JPTs.** From time to time during the Research Term, the Joint Research Committee shall determine whether or not an additional Joint Project Team(s) shall be established for a given additional Target or if an existing JPT shall perform the JPT functions for such additional Targets. All references to “the Joint Project Team” or “the JPT” in this Agreement shall apply to each JPT.

### Article 3

**Post Research Term Development and Commercialization Rights and Responsibilities for Draft Pick Targets.**

3.1 **Post Research Term Development and Commercialization.** Following the selection of each Draft Pick Target as set forth in Section 2.11, Licensee shall have the sole right and responsibility for the development and commercialization of Collaboration Compounds and Licensed Products that are directed to Genentech Draft Pick Targets and meet the Compound Criteria, and Companion Diagnostics for use with such Collaboration Compounds and Licensed Products in the Field, in the Territory, and Constellation shall have the sole right and responsibility for the development and commercialization of Collaboration Compounds and Licensed Products that are directed to Constellation Draft Pick Targets and meet the Compound Criteria, and Companion Diagnostics for use with such Collaboration Compounds and Licensed Products in the Field, in the Territory.

3.2 **Manufacturing.**

Except as otherwise set forth under the Research Plan, as between the Parties, (i) Licensee has the sole right and responsibility for the manufacture of Collaboration Compounds and Licensed Products directed to the Genentech Draft Pick Targets, and any Companion Diagnostics for use with such Collaboration Compounds and Licensed Products, for sale in the Field in the Territory; and (ii) Constellation has the sole right and responsibility for the manufacture of Collaboration Compounds and Licensed Products directed to the Constellation Draft Pick Targets, and any Companion Diagnostics for use with such Collaboration Compounds and Licensed Products, for sale in the Field in the Territory.

3.3 **Diligence.** Following the Research Term, each Commercializing Party shall use Commercially Reasonable Efforts to develop at least one (1) Licensed Product for each of its Draft Pick Targets in the Field in the Territory with the goal of seeking Regulatory
Approval required for the sale of a Licensed Product in the United States and the Major EU Countries. In addition, Licensee shall pursue the development of [**] for each of its Draft Pick Targets in the Field within [**] using efforts, resources and processes consistent with those applied by Licensee in [**] to its other pharmaceutical products of comparable commercial potential, stage of medical/scientific development, probability of technical success, technical and regulatory profile and patent protection. Activities performed by a Party’s sublicensees shall be considered activities performed by such Party under this Agreement for purposes of determining whether such Party is fulfilling its diligence obligations under this Section 3.3.

**Article 4**

**License and Option Grants**

4.1 **Research Licenses.**

(a) Genentech hereby grants to Constellation a non-exclusive, worldwide license under the Genentech Research IP to conduct activities assigned to Constellation under the Research Plan, during the Research Term.

(b) Constellation hereby grants to Genentech a non-exclusive, worldwide license under the Constellation Other IP to conduct activities assigned to Genentech under the Research Plan, during the Research Term. The license granted to Genentech under this Section 4.1(b) is solely to enable gRED to conduct its activities under the Research Collaboration and is expressly limited by Section 2.4.

(c) The licenses granted under this Section 4.1 shall not include the right to grant or authorize sublicenses, except that the use by Genentech or Constellation of Permitted Contractors as permitted in Section 2.9 shall not be construed as a sublicense.

4.2 **Constellation Platform License.** Constellation hereby grants to Genentech a non-exclusive, worldwide, perpetual, irrevocable, royalty-free, fully paid up license under the Constellation Research IP to make, have made, use, import, research, discover, and develop the Constellation Platform. The foregoing license includes the right to sublicense the foregoing rights to (a) Affiliates, (b) Permitted Contractors, and (c) bona-fide collaborators in the furtherance of their collaboration with Genentech, provided that in each case such rights granted shall be consistent with and subject to the terms and conditions of this Agreement. Notwithstanding the foregoing, and consistent with Section 2.4, Genentech shall not sublicense or disclose the Constellation Research IP to pRED during the Research Term.

4.3 **Compound Research License.**

(a) Constellation hereby grants to Genentech during the Research Term, and to Licensee after the Research Term, a non-exclusive, worldwide, perpetual, irrevocable, royalty-free, fully paid-up license under the Constellation Licensed IP and the Constellation Other IP to
make, use and import compounds created during the conduct of Research Collaboration, or provided by Constellation to Genentech during the conduct of the Research Collaboration, for the licensed Party’s internal research purposes relating to biological targets that are not Targets, including the right to conduct assays to determine the activity of such compounds with respect to such other biological targets. It is understood and agreed that (i) this Section 4.3(a) shall not require Constellation to provide Licensee with any compounds or other materials; and (ii) no commercial license is granted to Licensee under this Section 4.3(a), including any license to sell or offer for sale, or to commercially manufacture, use or import, such compounds. Licensee may only sublicense the rights granted under this Section 4.3(a) to its Affiliates or Third Party collaborators with respect to products that are being researched, developed and/or commercialized by such Affiliate or Third Party collaborator with, or on behalf of, Licensee; provided that in each case such rights granted shall be consistent with and subject to the terms and conditions of this Agreement. Notwithstanding the foregoing, and consistent with Section 2.4, Genentech shall not sublicense the rights granted under this Section 4.3 to pRED during the Research Term.

(b) Genentech hereby grants to Constellation a non-exclusive, worldwide, perpetual, irrevocable, royalty-free, fully paid-up license under the Genentech Research IP to make, use and import compounds created during performance of the Research Collaboration, for Constellation’s internal research purposes relating to biological targets that are not Targets, including the right to conduct assays to determine the activity of such compounds with respect to such other biological targets. It is understood and agreed that (i) this Section 4.3(b) shall not require Genentech to provide Constellation with any compounds or other materials; and (ii) no commercial license is granted to Constellation under this Section 4.3(b), including any license to sell or offer for sale, or to commercially manufacture, use or import, such compounds. Constellation may only sublicense the rights granted under this Section 4.3(b) to its Affiliates or Third Party collaborators with respect to products that are being researched, developed and/or commercialized by such Affiliate or Third Party collaborator with, or on behalf of, Constellation; provided that in each case such rights granted shall be consistent with and subject to the terms and conditions of this Agreement.

4.4 Draft Pick Target Licenses

(a) To Genentech. Constellation hereby grants to Genentech an exclusive (even as to Constellation, but subject to Sections 4.4(c) and 4.1), sublicensable license under the Constellation Licensed IP, the Constellation Other IP, the Constellation Research IP, and Constellation’s interest in and to the Research Collaboration IP, to make, have made, use, sell, offer for sale, import, research, discover and develop (i) Genentech Draft Pick Targets and compounds that are directed to, and meet the Compound Criteria for, Genentech Draft Pick Targets, including Collaboration Compounds and Licensed Products, and (ii) Companion Diagnostics for use with such Genentech Draft Pick Targets, Collaboration Compounds and Licensed Products, in the Territory.
(b) To Constellation.

(i) Genentech hereby grants to Constellation an exclusive (even as to Genentech, but subject to Sections 4.4(c) and 4.1), sublicensable license under Genentech’s interest in and to the Research Collaboration IP to make, have made, use, sell, offer for sale, import, research, discover and develop (1) Constellation Draft Pick Targets and compounds that are directed to, and meet the Compound Criteria for, Constellation Draft Pick Targets, including Collaboration Compounds and Licensed Products and (2) Companion Diagnostics for use with such Constellation Draft Pick Targets, Collaboration Compounds and Licensed Products, in the Territory.

(ii) On written request from Constellation, received not later than [**] after the Research Term, Genentech and Constellation will negotiate in good faith the commercially reasonable terms under which Genentech would license to Constellation any Genentech Background IP necessary or useful for Constellation’s continued research, development and commercialization of a Constellation Draft Pick Target and/or compounds that are directed to a Constellation Draft Pick Target and meet the Compound Criteria, including Collaboration Compounds and Licensed Products, and Companion Diagnostics for use with such Constellation Draft Pick Target. If, despite good faith negotiations, Genentech and Constellation are unable to agree on commercially reasonable terms for the license(s) contemplated under this Section 4.4(b)(ii) within [**] after the date of the first written request made by Constellation hereunder, Genentech will have no further obligation to continue discussions with Constellation pursuant to this Section 4.4(b)(ii).

(c) Grant Backs.

(i) Genentech hereby grants back to Constellation a nonexclusive license under the Constellation Licensed IP, the Constellation Other IP, the Constellation Research IP and Genentech’s interest in and to the Research Collaboration IP to research, alone or with others, the Genentech Draft Pick Targets and compounds that are directed to the Genentech Draft Pick Targets and meet the Compound Criteria, provided that such research is in furtherance of the development or commercialization of targets that are not Genentech Draft Pick Targets and/or compounds that are not directed to the Genentech Draft Pick Targets and meet the Compound Criteria.

(ii) Constellation hereby grants back to Genentech a nonexclusive license under Constellation’s interest in and to the Research Collaboration IP to research, alone or with others, the Constellation Draft Pick Targets and compounds that are directed to the Constellation Draft Pick Targets and meet the Compound Criteria, provided that such research is in furtherance of the development or commercialization of targets that are not Constellation Draft Pick Targets and/or compounds that are not directed to the Constellation Draft Pick Targets and meet the Compound Criteria.
4.5 Targets Not Selected.

Effective immediately following the finalization of the Draft Pool, Constellation grants to Genentech a non-exclusive, worldwide, perpetual, irrevocable, royalty-free, fully paid-up, sublicensable license under the Constellation Other IP to make, have made, use, sell, offer for sale, import, research, discover and develop Targets that are not Draft Pick Targets, and compounds and products that are directed to any such Targets and do not meet the Compound Criteria for either Party’s Draft Pick Targets, including any Companion Diagnostics for use with such compounds and products.

4.6 Right of First Negotiation.

(a) Right of First Negotiation. If, during the [*] period following the expiration of the Research Term, subject to and without limiting the terms of the Option Agreement, Constellation wishes to sublicense, outlicense or otherwise divest any of the Constellation Draft Pick Targets, or any compound that is directed to a Constellation Draft Pick Target and meets the Compound Criteria, including, without limitation, any Collaboration Compound and/or Licensed Product directed to a Constellation Draft Pick Target (provided, however, that this Section 4.6 shall not apply to activities conducted with Permitted Contractors), it must first provide written notice of that intention to Licensee, which notice will (i) identify the Constellation Draft Pick Target, compound, and/or Licensed Product(s) to which it applies, and (ii) include a non-confidential summary describing the status of the research or development of the associated program. Genentech or Roche (but not both) (the “Negotiating Party”) shall respond to that written notice within [*] (the “Consideration Period”), either providing notice of its intention to negotiate exclusively as described in this Section 4.6, or waiving that right; provided, however, that the failure of Genentech or Roche to provide written notice of its intention to negotiate exclusively as described in this Section 4.6 shall be deemed a waiver of its right to such negotiation with respect to such Constellation Draft Pick Target, compound or Licensed Product(s) and Constellation shall be entitled to enter into an agreement for such Constellation Draft Pick Target, compound or Licensed Product(s) with a Third Party. If, during the Consideration Period, the Negotiating Party gives notice of its intention to negotiate exclusively, Constellation shall negotiate with the Negotiating Party exclusively for a period extending not more than [*] after the Negotiating Party’s notice to Constellation hereunder (the “Negotiation Period”) regarding the terms pursuant to which the Negotiating Party would take rights to such Constellation Draft Pick Target, compound or Licensed Product(s), with both Constellation and the Negotiating Party negotiating in good faith.

(b) Negotiation Period. During the Negotiation Period, Constellation shall provide the Negotiating Party reasonable access to the information and materials in Constellation’s reasonable control relating to such compound or Licensed Product to allow the Negotiating Party to make an informed decision regarding such terms; provided, however, that, unless otherwise agreed to by the Parties, Constellation shall not be obligated to deliver any tangible materials or proprietary chemical structure information to the Negotiating Party. Notwithstanding the foregoing, at the Negotiating Party’s written request, Constellation will
provide proprietary chemical structure information to a mutually agreed upon Third Party expert, who will enter into a confidentiality agreement that is mutually agreeable to the Parties, for the purpose of the Negotiating Party’s diligence evaluation. Leading up to and during such Negotiation Period, Constellation shall not disclose information and materials to (other than Permitted Contractors) or negotiate with any Third Party concerning rights in or to such Constellation Draft Pick Target, compound or Licensed Product; \textit{provided, however}, that Constellation may publish or disclose such information and seek patent protection as permitted under this Agreement. Constellation shall negotiate exclusively with the Negotiating Party until the earlier of (i) the execution of a final written agreement regarding rights to such Constellation Draft Pick Target, compound or Licensed Product; or (ii) the expiration of the Negotiation Period. The foregoing exclusive right to negotiate is on a Constellation Draft Pick Target-by-Constellation Draft Pick Target or compound-by-compound basis. Following the waiver (or deemed waiver) of Licensee’s right to negotiate exclusively with Constellation pursuant to this Section 4.6, or the expiration of the Negotiation Period, Licensee’s rights and Constellation’s obligations under this Section 4.6 shall lapse with respect to such Constellation Draft Pick Target and compounds directed to such Constellation Draft Pick Target.

4.7 Sublicensees. Each Party shall ensure that any sublicensee (or licensee, with respect to the Research Collaboration IP or, with respect to Section 4.1, Permitted Contractor) is bound by the relevant terms and conditions of this Agreement and such Party shall remain responsible for its sublicensees’ and licensees’ and such Permitted Contractors’ compliance with the material and applicable terms and conditions of this Agreement.

4.8 Research Collaboration IP.

\textbf{(a) In General.} Subject to the terms and conditions of this Agreement, including, without limitation, Section 2.4 and the licenses granted under this Article 4, and except as set forth in Section 4.8(b) below, each Researching Party retains full ownership rights (including as provided under 35 USC § 262) in and to the Research Collaboration IP, for any field, and including the right to license and sublicense, and to freely exploit, transfer or encumber its ownership interest in the Research Collaboration IP, without the consent of, or payment or accounting to, the other Researching Party. Each Researching Party hereby waives any right it may have under the laws of any jurisdiction to require such consent, payment or accounting with respect to the Research Collaboration IP. Each Researching Party hereby assigns to the other Researching Party an undivided one-half interest in and to the Research Collaboration IP.

\textbf{(b) LO Compounds.} Notwithstanding the definition of Research Collaboration Invention or Sections 4.8(a) and 3.1, nothing in this Agreement gives (i) Constellation the right to use, license, exploit, transfer, or otherwise encumber in any way an LO Compound that was first synthesized by or on behalf of Licensee in the course of Licensee’s further research and development of a Genentech Draft Pick Target, or (ii) Licensee the right to use, license, exploit, transfer, or otherwise encumber in any way an LO Compound that was first synthesized by or on behalf of Constellation in the course of Constellation’s further research and development of a Constellation Draft Pick Target.
4.9 Harvard Option. Constellation hereby grants to Genentech an option (the “Harvard Option”) to obtain a sublicense to the Patents licensed to Constellation pursuant to the Harvard License. Genentech may exercise the Harvard Option by providing Constellation with written notice of exercise at any time during the Term. Upon exercise of the Harvard Option, the Parties shall promptly negotiate and execute a separate sublicense agreement granting Genentech such sublicense, which sublicense shall be consistent in all material respects with the terms of this Agreement, and subject to the terms and conditions of the Harvard License. The upfront payment described in Section 5.1(a) includes [**] U.S. Dollars ($[**]) as full consideration from Genentech for the Harvard Option and for the sublicense of the rights thereunder. No further amounts shall be due by Genentech to Constellation under such sublicense, provided, however, that following execution of the sublicense agreement with respect to the Harvard License, the Patent Rights under the Harvard License shall be considered “Constellation Licensed IP”, “Constellation Research IP” or “Constellation Other IP”, as applicable, including for purposes of payments which may be owed pursuant to Article 5.

4.10 No Implied Licenses.

Except as otherwise expressly provided, this Agreement does not grant any right or license to either Party under any of the other Party’s intellectual property rights, and no other right or license is to be implied or inferred from any provision of this Agreement or by the conduct of the Parties.

4.11 [**] Acknowledgement. Licensee acknowledge that Licensee’s rights under this Agreement are subject to the obligations of any Interruption License granted under the Research Agreement between Constellation and [**] (with “Interruption License” as defined in such Research Agreement).

Article 5
Payments

5.1 Upfront Payment. In consideration for Constellation entering into this Agreement, Genentech shall pay to Constellation a one time, non-refundable, non-creditable upfront payment of forty million U.S. Dollars ($40,000,000) within [**] after the Effective Date.

5.2 Committed Funding. Genentech is committed to paying Constellation up to a maximum of [**] U.S. Dollars ($[**]) over the Initial Research Term to fund [**] Constellation FTEs to conduct the Research Collaboration in accordance with the Research Plan. In addition, if Genentech extends the Research Collaboration for the First Extended Research Term, Genentech shall pay Constellation [**] U.S. Dollars ($[**]) to fund [**] Constellation FTEs to conduct the Research Collaboration in accordance with the Research Plan during such First Extended Research Term. Genentech shall pay Constellation for Constellation’s FTEs at the FTE Rate. Genentech shall owe FTE support payments to Constellation quarterly, in advance (each such payment, an “FTE Payment”), in the amount of

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[**] U.S. Dollars ($[**]), with the first FTE Payment to be adjusted pro-rata for the number of days from the Effective Date to the end of the first quarter, to be made within [**] after the Effective Date. The last FTE payment in the Research Term shall also be adjusted pro-rata for the number of days from the beginning of the quarter to the end of the Research Term. Following any adjustments to FTE Payments under Section 6.3(a)(i) (or otherwise), but subject to Section 11.5(b)(ii), Genentech’s FTE support payment obligation shall be equal to the FTE Rate multiplied by the actual number of FTEs that performed activities under the Research Plan during each quarter, as such actual FTE utilization is reflected in FTE Reports provided by Constellation in Section 6.2(a).

5.3 Research Term Extension Fee. If the Parties mutually agree in writing on a Second Extended Research Term, Genentech shall pay Constellation a one-time, non-refundable extension fee of [**] U.S. Dollars ($[**]) (the “Extension Fee”) within [**] after receipt of an invoice in accordance with Section 6.3(a).

5.4 Milestones.

(a) Research and Development Milestone Payments. As additional consideration for the conduct of the Research Collaboration, for each Genentech Draft Pick Target, Licensee shall owe milestone payments to Constellation for the first Collaboration Compound or Licensed Product directed to such Genentech Draft Pick Target to achieve the Research and Development Milestone Events as set forth in this Section 5.4 (each such payment, a “Research and Development Milestone Payment”). Licensee (or a sublicensee) shall notify Constellation of the achievement of a Research and Development Milestone Event within [**] after Licensee’s achievement of the Milestone Event or receipt of notification of its achievement, and Licensee (or a sublicensee) shall make Milestone Payments to Constellation in accordance with Section 6.3. To the extent that a Research and Development Milestone Event occurs during the Research Term or before final selection of the Draft Pick Targets with respect to a Target which becomes a Genentech Draft Pick Target, the applicable Research and Development Milestone Payment shall be due and payable after the selection of the final Genentech Draft Pick Target within [**] after receipt of an invoice in accordance with Section 6.3.
(b) Research and Development Milestone Tables.

<table>
<thead>
<tr>
<th>Research and Development Milestone Event</th>
<th>Milestone Amount (in U.S. Dollars)</th>
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<tr>
<td>(i) [**]</td>
<td>$ 750,000</td>
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</table>

(c) Definitions.

(i) **Genentech’s Late Stage Research Go Decision.** For the purposes of Section 5.4(b)(i), Genentech’s Late Stage Research “Go” Decision shall mean Genentech’s internal approval of a program to begin lead optimization as evidenced by minutes of the Genentech Research Review Committee (or any equivalent successor governance body in the event of a restructuring) (the “Late Stage Research Go Decision” or “LSR-Go”), which in any event shall occur prior to [**]. In determining whether a program under this Agreement should be proposed for consideration for the Late Stage Research Go Decision or should begin lead optimization, Genentech shall use standards that are consistent with those applied to its internal programs. If a research program for a Target is brought to Genentech’s Research Review Committee for an LSR-Go decision and does not achieve LSR-Go, then, on written request from Constellation, Genentech’s [**] (or his designee, having appropriate expertise) and the [**] of Constellation (or his designee, having appropriate expertise) shall meet (in person, via video conference or telephone) to discuss such decision and the standards applied thereto.

(ii) **.** For the purposes of Section 5.4(b)(ii), “[**]” shall mean the [**].

(iii) **Indication.** As used herein, “Indication” means the intended use of a Licensed Product for either therapeutic treatment or for the prevention of a distinct illness, sickness, interruption, cessation or disorder of a particular bodily function, system, tissue type or organ, or sign or symptom of any such items or conditions, regardless of the severity, frequency or route of any treatment, treatment regimen, dosage strength or patient class, for which Regulatory Approval is being sought and which will be referenced on any Licensed Product labeling in any country. Label extensions shall not be deemed to be separate Indications. By way of example, each of the following would be considered a separate Indication: breast cancer, prostate cancer, colon cancer, gastric cancer, lung cancer, etc.
(d) Commercialization Milestones. For each Draft Pick Target, for the first achievement of the Commercialization Milestone Events set forth in this Section 5.4(d) by a Licensed Product directed to such Draft Pick Target, which Licensed Product is Covered at the time of sale by a Valid Issued Claim (i) in the Constellation Licensed IP or the Research Collaboration IP, in the case of Commercialization Milestone Events for Licensed Products directed to Genentech Draft Pick Targets, or (ii) in the Research Collaboration IP, in the case of Commercialization Milestone Events for Licensed Products directed to Constellation Draft Pick Targets (the Patents in (i) or (ii), as applicable, the "Royalty Bearing Patents"), the Commercializing Party will make the following one-time payments (the "Commercialization Milestone Payments") to the other Party (which, with respect to payments to be made by Constellation, shall be made to Genentech) within [**] after the end of the first calendar year in which the worldwide Net Sales of such Licensed Product exceeds the applicable milestone amounts below:

<table>
<thead>
<tr>
<th>Worldwide Net Sales in a Calendar Year (the “Commercialization Milestone Events”) (in U.S. Dollars)</th>
<th>Milestone Amount (in U.S. Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Net Sales of [**]</td>
<td>[**]</td>
</tr>
<tr>
<td>(ii) Net Sales of [**]</td>
<td>[**]</td>
</tr>
</tbody>
</table>

(e) Single Milestone Payments; No Duplicate Milestone Payments. The maximum amount payable by Licensee to Constellation under this Section 5.4 shall be [**] per Genentech Draft Pick Target. The maximum amount payable by Constellation to Licensee under this Section 5.4 shall be [**] per Constellation Draft Pick Target. For each Draft Pick Target, no payment shall be due for any Collaboration Compound or Licensed Product that has achieved a particular Milestone Event if a corresponding Milestone Payment has already been paid with respect to another Collaboration Compound or Licensed Product directed to such Draft Pick Target. Notwithstanding anything to the contrary herein, for each Draft Pick Target, for any Milestone Event with respect to a Collaboration Compound or Licensed Product directed to such Draft Pick Target, if such Milestone Event is skipped and a future Milestone Event is achieved with respect to such Collaboration Compound or Licensed Product directed to such Draft Pick Target, then the Milestone Payment associated with the skipped Milestone Event shall become due and payable upon achievement of such later Milestone Event.
5.5 Royalties.

(a) Valid Issued Claim Royalty Rates. On a Licensed Product-by-Licensed Product basis, the applicable Commercializing Party shall owe to the other Party (which, with respect to payments to be made by Constellation, shall be made to Genentech) royalties as a percentage of Net Sales of Licensed Product in the Territory, where, on the date of such sale such Licensed Product is Covered by a Valid Issued Claim in the country of sale in the Royalty Bearing Patents (each payment under this Section 5.5(a), a “Royalty Payment” and a “Valid Issued Claim Royalty”). The applicable Commercializing Party (or its Sublicensee) shall make Royalty Payments, in accordance with Section 6.2(b), based on the following royalty rates (each, a “Royalty Rate”) for the applicable Royalty Term, subject to Royalty Offsets and the other provisions of this Section 5.5 and this Agreement:

(i) Portion of calendar year Net Sales of such Licensed Products up to and including US$(*%)

(ii) Portion of calendar year Net Sales of such Licensed Products over US$(*% up to and including US$(*%)

(iii) Portion of calendar year Net Sales of such Licensed Products over US$(*% up to and including US$(*%)

(iv) Portion of calendar year Net Sales of such Licensed Products over US$(*% up to and including US$(*%)

(v) Portion of calendar year Net Sales of such Licensed Products over US$(*%.

(b) Valid Pending Claim Royalty Rates. On a Licensed Product-by-Licensed Product basis, for any Licensed Product in the Territory that is not subject to a Royalty Payment under Section 5.5(a), and that is Covered by a Valid Pending Claim in the Royalty Bearing Patents in the country of sale on the date of sale: the applicable Commercializing Party shall owe to the other Party (which, with respect to payments to be made by Constellation, shall be made to Genentech), royalties of [**] percent ([**]%)(also a “Royalty Rate”) of Net Sales of such Licensed Product in the Territory (each payment under this Section 5.5(b), also a “Royalty Payment” and a “Valid Pending Claim Royalty”). The applicable Commercializing Party (or its Sublicensee) shall make Royalty Payments, in accordance with Section 6.2(b), for the applicable Royalty Term, subject to Royalty Offsets and the other provisions of this Section 5.5 and this Agreement.

(c) Royalty Term. A Commercializing Party’s obligation to make Royalty Payments (with respect to a given Licensed Product in a particular country, the “Royalty Term”) shall begin on the date of the First Commercial Sale of such Licensed Product in such country and continue, on a Licensed Product-by-Licensed Product and country-by-country basis, at the then-applicable Royalty Rate, until (i) for Valid Issued Claim Royalties: the expiration of the last-to-expire Valid Issued Claim within the Royalty Bearing Patents Covering such Licensed Product in such country or (ii) for Valid Pending Claim Royalties: the date on which such Licensed Product is no longer Covered by a Valid Pending Claim in the Royalty Bearing Patents.
(d) **Generic Products.** At any time during the Royalty Term, if one or more Generic Products is sold in a country, and Net Sales of the Licensed Product in such country decreases as compared to the level such Licensed Product had in the calendar quarter immediately prior to the first sale of such Generic Product(s) in such country, then the Royalty Rate for the associated Licensed Product in such country shall be reduced to [**%], and (notwithstanding anything in Article 6 to the contrary) sales of such Licensed Product in such country will not thereafter be included in the calculation of Net Sales for the purposes of Section 5.5(a) and (b).

(e) **Expiration of Royalty Term.** Upon the expiration of the Royalty Term for a given Licensed Product in a particular country, the exclusive rights granted to the Commercializing Party will expire in such country with respect to such Licensed Product, and the license under Section 4.4(a) or Section 4.4(b), as applicable, with respect to such Licensed Product in such country shall become fully paid, perpetual, irrevocable and non-exclusive.

(f) **Royalty Offsets.** Any deduction to a Royalty Payment made under this Section 5.5(f) shall be referred to as a “**Royalty Offset.**” With respect to a given Licensed Product in a particular country, if the applicable Commercializing Party (or any of its Sublicensees) obtains any licenses or other rights from a Third Party in order to make, use, offer for sale, sell or import such Licensed Product in such country, such Commercializing Party (or applicable Sublicensee) shall have the right to deduct from the Royalty Payments owed for such Licensed Product [**%] percent ([**%]) of any payments made by such Commercializing Party (or applicable Sublicensees) to such Third Party for such licenses and rights; **provided, however,** in no event shall a given Royalty Payment be less than [**%] percent ([**%]) of what would otherwise be owed pursuant to Section 5.5(a) or 5.5(b) but for the Royalty Offset.

(g) **Single Royalty Payment.** In no event shall the applicable Commercializing Party (or its Sublicensee) be obligated to make more than one Royalty Payment with respect to a given sale of a Licensed Product, even if such Licensed Product contains more than one Collaboration Compound, or such Licensed Product is Covered by more than one Valid Issued Claim or Valid Pending Claim in the Royalty-Bearing Patents.

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**Article 6**

**Financial Reports, Audits and Other Financial Provisions**

6.1 **Calculation of Net Sales.**

(a) **Definition of Sales.** “**Sales**” of a Licensed Product in a particular period shall mean:
(i) the amount stated in the Commercializing Party’s “Sales” line of its externally published audited financial statements (or its audited financial statements, if the Commercializing Party does not externally publish audited financial statements) with respect to such Licensed Product for such period or otherwise included for such Licensed Product in the Commercializing Party’s “Sales” line of such audited financial statements. This amount equals the gross invoice price at which suchLicensed Product was sold or otherwise disposed of (other than for use as clinical supplies or free samples) by the Commercializing Party, its Affiliates and [**] (if it is a Sublicensee of Genentech or Roche as the Commercializing Party) to Third Parties in such period reduced by gross-to-net deductions, if not previously deducted from such invoiced amount, taken in accordance with the then-currently used IFRS or United States Generally Accepted Accounting Principles (“US GAAP”), consistently applied. By way of example, the gross-to-net deductions taken in accordance with International Financial Reporting Standards (IFRS) as of the Effective Date are the following:

(A) credits, reserves or allowances granted for (i) damaged, outdated, returned, rejected, withdrawn or recalled Licensed Product, (ii) wastage replacement and short-shipments, (iii) billing errors and (iv) indigent patient and similar programs (e.g., price capitation);

(B) governmental price reductions and government mandated rebates;

(C) chargebacks, including those granted to wholesalers, buying groups and retailers;

(D) customer rebates, including cash sales incentives for prompt payment, cash and volume discounts; and

(E) taxes, duties and any other governmental charges or levies imposed upon or measured by the import, export, use, manufacture or sale of a Licensed Product (excluding income or franchise taxes).

(ii) Sublicense sales as reported in good faith to the Commercializing Party according to the Sublicense contract.

(b) Definition of Net Sales. “Net Sales” of a Licensed Product in a particular period shall mean the amount calculated by subtracting from the Sales of such Licensed Product for such period: (i) a lump sum deduction of [**] percent (**) of Sales in lieu of those deductions that are not accounted for within the Commercializing Party on a Licensed Product-by-Licensed Product basis (e.g., freight, postage charges, transportation insurance, packing materials for dispatch of goods, custom duties); (ii) uncollectible amounts actually realized and credit card charges (including processing fees) accrued during such period on such Sales and not
already taken as a gross-to-net deduction in accordance with the then currently used IFRS or US GAAP in the calculation of Sales of such Licensed Product for such period; and (iii) government mandated fees and taxes and other government charges accrued during such period on such Sales not already taken as a gross-to-net deduction in accordance with the then currently used IFRS or US GAAP in the calculation of Sales of such Licensed Product for such period, including, for example, any fees, taxes or other charges that become due in connection with any healthcare reform, change in government pricing or discounting schemes, or other action of a government or regulatory body.

(c) Sales Among Affiliates and Sublicensees. Sales between or among a Commercializing Party, its Affiliates and/or their respective sublicensees shall be excluded from the computation of Net Sales, provided that Net Sales shall include the first sale to a Third Party by any such Affiliate or sublicensee, including, for clarity, to Third Party distributors.

(d) Supply as Samples/Test Materials. Notwithstanding anything to the contrary in the definition of Net Sales, the supply or other disposition of Licensed Products (i) as samples; (ii) for use in non-clinical or clinical studies; (iii) for use in any tests or studies reasonably necessary to comply with any applicable law, regulation or request by a regulatory or governmental authority or (iv) as is otherwise reasonable and customary in the industry, in each case, shall not be included in the computation of Net Sales.

(e) Licensed Products Sold in Combinations. If a Commercializing Party or its Affiliates intends to sell a Combination Product, then Net Sales shall be calculated by multiplying Net Sales (as calculated without regard to this paragraph) by the fraction A/(A+B), where A is the average selling price of the Collaboration Compound component of the Combination Product, when sold separately as a stand-alone product in the applicable country, and B is the average selling price of the component of the Combination Product comprising the other active pharmaceutical ingredient(s), when sold separately as a stand-alone product in such country. If both the Licensed Product component and such other component of the Combination Product are not sold separately and the Parties are not able to agree, within [**] after it first being raised for discussion, on the appropriate adjustment to Net Sales based on the relative commercial values of the components of the Combination Product, or if there is any other dispute regarding the calculation of Net Sales pursuant to this paragraph, then the appropriate adjustment to Net Sales will be determined by a single expert jointly appointed by the Parties within a further [**] based on the relative commercial value contributed by the components of the Combination Product. In the absence of an agreement on the appointment of the expert, either Party may have such expert appointed by the American Arbitration Association. The decision of the expert shall be final and binding on the Parties and the fees of the expert shall be shared equally between Constellation and Licensee.
6.2 Reports.

(a) FTE Reports. Within [**] after the end of each quarter, during the Research Term, Constellation shall send a report that specifies for such just-ended quarter the following information (the "FTE Report"): (i) the actual number of FTEs that performed activities under the Research Plan during such just-ended quarter; (ii) the identity of the individuals included within those FTEs, (iii) the percentage of an FTE that each such individual represents; and (iv) a brief description of the work performed by each such individual. At the end of the Research Term, after the last FTE Payment for such year, Constellation shall send a final FTE Report, and the information in FTE Reports shall be used to adjust the final FTE Payment in accordance with Section 6.3(a)(i). Within [**] after the expiration or termination of the Research Term, the relevant Researching Party shall pay the other Researching Party any amounts due to such other Researching Party for FTE Payment adjustments made pursuant to this Section 6.2(a) as applicable.

(b) Net Sales Reports. For each calendar quarter for which either Party has an obligation to make Royalty Payments, such payments shall be accompanied by a report that specifies for such calendar quarter the following information ("Net Sales Report"): (i) Sales on a country-by-country basis (reported in U.S. Dollars or, where Licensee is the Commercializing Party, for Sales not made in U.S. Dollars, in CHF); (ii) deductions from Sales to calculate Net Sales pursuant to the Net Sales definition; (iii) Net Sales on a country-by-country basis (reported in U.S. Dollars or, where Licensee is the Commercializing Party, for Net Sales not made in U.S. Dollars, in CHF); (iv) adjustments made pursuant to Section 5.5 (reported in U.S. Dollars or, where Licensee is the Commercializing Party, for Net Sales not made in U.S. Dollars, in CHF); (v) Net Sales after adjustments made pursuant to Section 5.5 (reported in U.S. Dollars or, where Licensee is the Commercializing Party, for Net Sales not made in U.S. Dollars, in CHF); (vi) total Net Sales in the Territory (reported in U.S. Dollars or, where Licensee is the Commercializing Party, for Net Sales not made in U.S. Dollars, in CHF); (vii) total Net Sales in the Territory in U.S. Dollars; (viii) total Royalty Payment payable in U.S. Dollars; and (ix) exchange rate used for the conversion of Sales or Net Sales to U.S. Dollars (and, where Licensee is the Commercializing Party, the exchange rate used for conversion of Sales or Net Sales to CHF for Sales or Net Sales not made in U.S. Dollars) pursuant to Section 6.3(d) "Currency of Payments". If a Commercializing Party is reporting Net Sales for more than one Licensed Product, the foregoing information shall be reported on a Licensed Product-by-Licensed Product basis.

6.3 Payment Related Provisions.

(a) Invoices. Constellation shall send invoices to Genentech in accordance with this Section 6.3(a). Each invoice shall identify the trigger for the payment obligation and, unless otherwise requested by Licensee in writing, Constellation shall send invoices to Genentech at the address in the preamble of this Agreement, to the attention of Finance Manager, Business Development, M/S 53.

(i) FTE Payments and Reimbursements. Constellation shall send invoices to Genentech for FTE Payments and any other pre-approved reimbursements quarterly during the Research Term (but not sooner than [**] prior to the first day of the applicable quarter), provided, however, (A) no invoice is required for the first quarter of the Research Term
and (B) if adjustments to the FTE Payments for any preceding quarter of the Research Term are necessary, Constellation shall send a credit or debit memo or invoice with such FTE Report within [**] after the end of each quarter. The credit or debit memo or invoices used for adjustments shall (x) reconcile, for the preceding quarter, the committed number of FTEs and the actual number of FTEs that performed activities under the Research Plan during such preceding quarter (as specified in the FTE Report for such quarter); and (y) otherwise conform to the provisions of Section 5.2.

(ii) **Second Research Term Extension Fee.** Constellation shall send an invoice for the Extension Fee after the Researching Parties reach written agreement on a Second Extended Research Term in accordance with Section 2.2.

(iii) **Research and Development Milestone Payments.** Constellation shall send invoices to Genentech for Research and Development Milestone Payments after Constellation’s receipt of a notice under Section 5.4(a) regarding the achievement of a Research and Development Milestone Event.

(b) **Timing of Payments.** All uncontested FTE Payments, adjustments to FTE Payments, and Research and Development Milestone Payments shall be due within [**] of Genentech’s receipt of an invoice or Constellation’s issuance of a credit or debit memo for such payment and any required accompanying report (e.g., an FTE Report); provided, however, the FTE Payment for the first quarter of the Research Term (for which no invoice is required) shall be due within [**] of the Effective Date. Royalty Payments shall be due, on a calendar quarterly basis, [**] after the end of any calendar quarter for which a Commercializing Party has an obligation to make Royalty Payments. Commercialization Milestone Payments shall be due in accordance with Section 5.4(d).

(c) **Mode of Payment.** All payments under this Agreement shall be made in immediately available funds by wire transfer to a United States based account to be identified by the payee.

(d) **Currency of Payments.** All payments under this Agreement shall be made in United States dollars, unless otherwise expressly provided in this Agreement. When calculating the Sales or Net Sales of any royalty-bearing or Commercialization Milestone Payment-bearing Licensed Product that occur in currencies other than U.S. dollars for which Licensee is the Commercializing Party, Licensee shall convert the amount of such sales into Swiss Francs and then into U.S. dollars using Licensee’s then current standard practices actually used on a consistent basis in preparing its audited financial statements (currently YTD average rate as reported by Reuters). When calculating the Sales or Net Sales of any royalty-bearing or Commercialization Milestone Payment-bearing Licensed Product for which Constellation is the Commercializing Party that occur in currencies other than U.S. dollars, Constellation shall convert the amount of such sales into U.S. dollars using Constellation’s then-current standard practices actually used on a consistent basis in preparing its audited financial statements.
(e) **Late Payments.** To the extent that any payments under this Agreement are not paid within the specified time period, such outstanding payments shall accrue interest from the date due, at the one year LIBOR rate (as reported in Reuters) on the last Business Day of the applicable calendar quarter prior to the date on which such payment was due, plus [**] percentage points, calculated on the basis of a 360-day year, or, if lower, the maximum rate permitted by law.

(f) **Blocked Currency.** If, at any time, legal restrictions prevent the applicable Commercializing Party (or its Sublicensee) from remitting part or all of a Royalty Payment when due with respect to any country in the Territory where Licensed Products are sold, the Commercializing Party shall promptly notify the other Party thereof in writing and shall continue to provide Net Sales Reports for such Royalty Payments. Such Royalty Payments shall continue to accrue in such country, and the Commercializing Party shall deposit such payment in local currency in such country to the credit of the other Party in a recognized banking institution designated by such other Party in writing or, if no such banking institution is designated by such other Party within a period of [**] after receipt of written notice from the Commercializing Party hereunder, in a recognized banking institution selected by the Commercializing Party and identified in a written notice given to such other Party, but the Commercializing Party shall not otherwise be obligated to make such Royalty Payments until such time as payment may be made through reasonable, lawful means or methods that may be available, as the Commercializing Party shall reasonably determine.

(g) **Taxes.**

(i) Each Party shall comply with applicable laws and regulations regarding filing and reporting for income tax purposes. The Parties agree that their relationship under this Agreement does not constitute, and neither Party shall treat such relationship as, a partnership or other type of entity for any tax purposes. All payments made under this Agreement shall be free and clear of any and all taxes, duties, levies, fees or other charges, except for withholding taxes. Each Party shall be entitled to deduct from its payments to the other Party under this Agreement the amount of any withholding taxes required to be withheld, to the extent paid to the appropriate governmental authority on behalf of the other Party (and not refunded or reimbursed).

(ii) Notwithstanding Section 6.3(g)(i), if a Party (the "Paying Party") is required to make a payment to the other Party that is subject to a deduction or withholding of tax by a taxing authority located in a jurisdiction (the "Other Jurisdiction") other than the United States (or any political subdivision thereof) or Switzerland (or any political subdivision thereof), and if the Paying Party is obligated to deduct any withholding taxes from such payment because this Agreement has been transferred, assigned or sublicensed by the Paying Party (or because, for any reason, a person other than one of the original Parties to this Agreement will make such payment), then the sum payable by the Paying Party (in respect of which such deduction or withholding is required to be made) shall be increased to the extent necessary to ensure that the Party receiving such payment receives a sum equal to the sum which it would
have received if no such transfer, assignment, sublicense or substitution of the payor had occurred; provided, however, that no such additional amount shall be paid pursuant to this Section 6.3(g)(ii) with respect to taxes that are attributable to failure of the Party receiving such payment to comply with the requirements of Section 6.3(g)(iii) below.

(iii) Each Party shall deliver to the other Party, upon request, proof of payment of all withholding taxes imposed with respect to any payments made to the other Party hereunder. Each Party shall provide reasonable assistance to the other Party in seeking any reduction or elimination available to the other Party pursuant to any relevant law, regulation or double tax treaty with respect to any withholding tax imposed on payments hereunder. Without limiting the generality of the foregoing, if a Party can cause any such withholding tax to be reduced or eliminated by providing the other Party with a properly completed and executed certificate or other document, or by filing any such certificate or other document received from the other Party with a taxing jurisdiction, then each such Party shall take such action on a timely basis in order that such reduction or elimination can be obtained. In the event any Party fails to take any action required by this Section 6.3(g)(iii), then, notwithstanding the other provisions of this Section 6.3(g), the failing Party shall be responsible for any additional withholding taxes (or payments under this Section 6.3(g) on account of withholding taxes) required to be borne by the Party failing to act or the other Party on account of such failure and shall either (a) if the Party is the Paying Party, make a payment to the other Party to the extent necessary to ensure that the Party receiving such payment is placed in the same position that it would have been in if such failure had not occurred or (b) if the Party is not the Paying Party, not be entitled to an additional payment under this Section 6.3(g) with respect to withholding taxes, as applicable. The Parties agree to use commercially reasonable efforts to avoid the necessity to make any such payments to each other.

(iv) If a Party (the “Recipient Party”) receives a refund with respect to any withholding taxes for which the other Party has made a payment to or on behalf of the Recipient Party pursuant to Section 6.3(g)(ii), then the Recipient Party shall pay to the Paying Party an amount equal to such refund (but only to the extent of additional amounts received by the Recipient Party pursuant to Section 6.3(g)(ii) with respect to the taxes giving rise to such refund) without interest (other than any interest paid by the relevant governmental authority with respect to such refund or credit). Payments, if any, under this Section 6.3(g)(iv) shall be paid by the Recipient Party promptly following the receipt of a refund. If, with respect to the payments contemplated by this Section 6.3(g)(iv), any taxing authority requires a return of all or any portion of a refund (an “Adjustment”), then the Party that received a payment under this Section 6.3(g)(iv) shall pay the Recipient Party an amount equal to the Adjustment.


(a) Records. Constellation shall keep complete and accurate records for a period of at least [**] (or the shorter period required under Section 6.4(c)) for each reporting period during which FTE Payments are due, showing the particulars necessary in sufficient detail to enable FTE Reports to be verified. The applicable Commercializing Party shall keep,
and shall require its Affiliates and Sublicensees to keep, full, true and accurate books of account containing all particulars that may be necessary for the purpose of calculating all royalties and other amounts payable under this Agreement. Such books of accounts shall be kept at such Party’s principal place of business.

(b) Audits. Upon timely request and at least [**] prior written notice from the auditing Party, at the expense of the auditing Party, the auditing Party may have an independent public accountant reasonably acceptable to the audited Party perform, on behalf of the auditing Party, an audit of such books and records of the other Party and its Affiliates and its Sublicensees that are deemed necessary by the auditing Party’s independent public accountant to report on FTE Reports, or Net Sales of Licensed Product for the period or periods requested by the auditing Party and the correctness of any report or payments made under this Agreement. Such audit shall be conducted in the countries specifically requested by the auditing Party, during regular business hours in such a manner as to not unnecessarily interfere with the other Party’s normal business activities, and shall be limited to results in the [**] prior to audit notification. Such audit shall not be performed more frequently than [**] nor more frequently than [**] with respect to records covering any specific period of time.

(c) Confidentiality. All information, data documents and abstracts referred to in this Section 6.4 shall be used only for the purpose of verifying royalty statements and other payments due under this Agreement, shall be treated as the audited Party’s Confidential Information subject to the obligations of this Agreement and need neither be retained more than [**] after completion of an audit hereof, if an audit has been requested; nor more than [**] from the end of the calendar year to which each shall pertain; nor more than [**] after the date of expiration or termination of this Agreement.

(d) Sharing of Draft Reports. The auditors shall share all draft reports with the audited Party before the draft report is shared with the auditing Party and before the final document is issued; the auditors shall not have the right to make any legally binding interpretations of this Agreement. The final report shall be shared by the Parties.

(e) Over-or Underpayment. If the audit reveals an overpayment to the auditing Party, the auditing Party shall reimburse the other Party for the amount of the overpayment within [**]. If the audit reveals an underpayment to the auditing Party, the audited Party shall make up such underpayment with the next royalty payment or, if no royalty payment is or will be due within the [**] after completion of such audit, within [**]. The audited Party shall pay for the audit costs if its underpayment of the royalty or milestone exceeds [**] percent (|**|%) of the aggregate amount of amounts owed with regard to the subject of the audit. Section 6.3(e) shall apply to this Section 6.4(e) if the audited Party had overstated the amount to be paid to the audited Party or understated the amount to be paid to the auditing Party.

(f) Duration of Audit Rights. The failure of a Party to request verification of any royalty calculation within the period during which corresponding records must be maintained under this Section 6.4 will be deemed to be acceptance of the royalty payments and reports.
6.5 Rights Regarding Consolidation of Constellation Financial Data. If, at any time until the later of the expiration or termination of the Research Term, or the termination of the Option Agreement, compliance with any term or condition of this Agreement would, in Licensee’s opinion and with the concurrence of Licensee’s independent auditors, require Licensee to consolidate Constellation’s financial statements within Licensee’s financial statements in order to comply with accounting standards in effect at that time, then upon Licensee’s request, Constellation shall provide to Licensee, subject to the obligations of Licensee under Article 9 regarding Confidential Information, (a) Constellation’s unaudited quarterly consolidated financial statements, prepared in accordance with IFRS (i.e., balance sheet, income statement and statement of cash flows) for each calendar quarter to which such consolidation obligation applies within [**] after the end of the calendar quarter, (b) Constellation’s forecasted results for a given calendar quarter to which such consolidation obligation applies, based on its best available estimates, no earlier than [**] prior to, and no later than [**] prior to, the close of such calendar quarter and (c) Constellation’s board-approved budget for each calendar year. The forecasted results described in subsection (b) above must be based on at least [**] of actual results and will encompass all of the financial statements noted above. Licensee acknowledges that such forecasted results will be a good faith estimate only and will not be binding in any way upon Constellation. Notwithstanding anything to the contrary, upon Licensee’s initial request to consolidate Constellation financial data under this provision, Constellation may provide the initial unaudited quarterly financial statements prepared in accordance with US GAAP and not IFRS; provided, that, Constellation provides all reasonable assistance to Licensee in the restatement of such initial financial statements into IFRS. Licensee shall reimburse Constellation for reasonable, out-of-pocket, Third Party costs paid by Constellation in connection with its compliance with this Section 6.5; provided such amounts do not, without Licensee’s prior written consent, exceed [**] U.S. Dollars ($[**]), including any costs incurred by Constellation required to prepare or restate its financial statements in accordance with IFRS (if Constellation is then using US GAAP).

6.6 Limitations on Bundle Discounts. If one or more Licensed Products is sold together with other products in a bundle or package of products (a “Bundled Sale”) offered to customers by a Commercializing Party (or its Affiliate or Sublicensee), and discounts on the products in any such Bundled Sale including Licensed Products are granted to the purchaser by the Commercializing Party (or its Affiliate or Sublicensee) as part of such sale, then such Commercializing Party agrees that, for the purposes of calculating Net Sales hereunder, the purchase price allocated to the Licensed Product will be based on the ratio of its list price to the aggregate list price of all products in the bundle.
Article 7
Intellectual Property

7.1 Disclosures of IP.
   (a) Constellation Platform; Constellation Licensed IP; Constellation Other IP. During the Research Term, Constellation shall promptly disclose to Genentech all Patents within the Constellation Research IP, the Constellation Licensed IP, and the Constellation Other IP.
   (b) Research Collaboration IP. During the Research Term, Genentech and Constellation shall promptly disclose to the other any Research Collaboration Inventions conceived, reduced to practice, discovered or otherwise created by or on behalf of such Party or its Permitted Contractors during the conduct of the Research Collaboration.

7.2 Ownership of IP.
   (a) Constellation Research IP; Constellation Licensed IP; Constellation Other IP. Subject to the licenses granted under Article 4 of this Agreement, and except as set forth in Section 7.2(c) below, as between the Parties, Constellation shall solely own all right, title and interest in and to the Constellation Research IP, the Constellation Licensed IP, and the Constellation Other IP.
   (b) Genentech Research IP. Subject to the licenses granted under Article 4 of this Agreement, as between the Parties, Genentech shall solely own all right, title and interest in and to the Genentech Research IP.
   (c) Research Collaboration IP. Ownership of Research Collaboration IP is set forth in Section 4.8.
   (d) Further Assurances. The Parties shall cooperate with each other to effectuate ownership of any intellectual property rights as set forth in this Agreement, including, but not limited to, by executing and recording documents.

7.3 Patent Prosecution and Maintenance.
   (a) Definitions. The following definitions are for purposes of this Agreement:
      (i) “Prosecution and Maintenance” or “Prosecute and Maintain,” with regard to a given Patent, means the preparation, filing, prosecution and maintenance of such Patent, as well as supplemental examinations, re-examinations, post grant reviews, reissues, applications for patent term extensions and the like with respect to such Patent, together with the conduct of interferences and derivation proceedings, the defense of oppositions and other similar proceedings with respect to such Patent.
(ii) “Collaboration Patent(s)” means any Patent within the Research Collaboration IP.

(b) Background IP.

(i) Constellation Research IP. As between the Parties, Constellation shall have the sole right, at its sole discretion and expense, to Prosecute and Maintain the Patents within the Constellation Research IP.

(ii) Constellation Licensed IP; Constellation Other IP. As between the Parties, Constellation shall have the sole right, at its sole discretion and expense, to Prosecute and Maintain the Patents within the Constellation Licensed IP and the Constellation Other IP.

(iii) Genentech Research IP. As between the Parties, Genentech shall have the sole right, at its sole discretion and expense, to Prosecute and Maintain the Patents within the Genentech Research IP.

(c) Collaboration Patents: During the Research Term. The provisions of this Section 7.3(c) shall apply to the Prosecution and Maintenance of Collaboration Patents during the Research Term.

(i) Prosecution and Maintenance. During the Research Term, subject to Section 7.3(c)(v) below, Constellation and Genentech shall jointly decide on a strategy for the Prosecution and Maintenance of any Collaboration Patent, including deciding on (A) the scope and content of the Patent application; (B) the countries in which Prosecution and Maintenance should be conducted; and (C) whether to retain outside patent counsel to conduct all or particular Prosecution and Maintenance activities (by way of example and not limitation, Constellation and Genentech may determine in a particular situation to retain outside patent counsel to prosecute a Collaboration Patent application, but not to draft, file or maintain it). Notwithstanding anything to the contrary, in the event that Constellation and Genentech disagree about retaining outside patent counsel for all or particular activities, mutually acceptable outside patent counsel shall be retained for such activities.

(ii) Cooperation. Each Researching Party shall cooperate with and assist the other Researching Party in the Prosecution and Maintenance of any Collaboration Patent, including (A) consulting with the other Researching Party promptly after receiving any substantive action in the Prosecution and Maintenance of such Patent and before the initial due date, even if extendible, and (B) making its relevant scientists and scientific records reasonably available. In addition, each Researching Party shall sign and deliver, or use reasonable efforts to have signed and delivered, at no charge to the other Researching Party, all documents necessary in connection with such Prosecution and Maintenance.

(iii) Instructions to Outside Patent Counsel. With respect to any Collaboration Patent, the outside patent counsel (if any) shall be instructed to (A) keep the Researching Parties informed regarding the Prosecution and Maintenance thereof; (B) furnish to each Researching Party a copy of such Patent and copies of documents relevant to such Prosecution and Maintenance, including copies of correspondence with any patent office or foreign associates, promptly after receipt or submission, as the case may be; and (C) act on the Researching Parties’ instructions relating to such Prosecution and Maintenance promptly after receipt of such instructions.
(iv) Costs. Subject to Sections 7.3(c)(v) and 7.3(d), Genentech and Constellation shall [**] of the out-of-pocket external costs for the Prosecution and Maintenance of any Collaboration Patent (e.g., filing, prosecuting and maintenance or annuity fees or the cost of outside patent counsel). Subject to the foregoing, each Researching Party shall be responsible for any internal costs it incurs in performing activities related to such Prosecution and Maintenance.

(v) Abandonment. A Researching Party (the “Abandoning Party”) shall notify the other Researching Party and outside patent counsel (if any) at least [**] in advance of the next deadline if the Abandoning Party decides that it does not wish to continue paying for the Prosecution and Maintenance of a particular Collaboration Patent for which no substitute has been filed. In such case, and with respect to the relevant country(ies), the Abandoning Party shall allow the other Researching Party to assume responsibility for Prosecution and Maintenance of the respective Collaboration Patent, including costs and expenses incurred beginning [**] after receipt of the Abandoning Party’s notice. If the other Researching Party assumes such responsibility (the “Non-Abandoning Party”), then: (i) the Non-Abandoning Party may designate any counsel of its choice to handle the Prosecution and Maintenance of such Collaboration Patent and it shall cease to be part of the Research Collaboration IP and the Non-Abandoning Party shall have no further royalty obligations under this Agreement solely as a result of such former Collaboration Patent; (ii) the Abandoning Party shall lose its licenses (if any) to such former Collaboration Patent; and (iii) the Abandoning Party shall and hereby does transfer and assign all right, title and interest in said former Collaboration Patent to the Non-Abandoning Party as the sole owner. If the other Researching Party decides not to assume such responsibility, then it shall instruct outside patent counsel (if any) to abandon the Prosecution and Maintenance of such Collaboration Patent.

(vi) Dispute Resolution. With respect to decisions related to the Prosecution and Maintenance of Collaboration Patents during the Research Term, the Researching Parties shall attempt to make decisions by reaching agreement. If the Researching Parties cannot reach agreement within [**] of such a Dispute being brought to a vote, such Dispute shall be referred to the Researching Parties’ Executives for resolution in accordance with Section 14.1. If the Executives cannot resolve such Dispute, then mutually acceptable outside patent counsel shall be appointed (if not already appointed) and the outside patent counsel shall have final decision-making authority, and shall make such decision in good faith and after consultation with the Researching Parties, with the goal of maximizing the enforceable patent coverage for the Collaboration Compounds or, after the Research Term, without unduly favoring one Party’s Draft Pick Targets, compounds and products over the other’s and shall, where possible and reasonably appropriate, create divisionals or otherwise separate the claims covering the Parties’ respective Draft Pick Targets and related compounds and products. Notwithstanding the time periods to resolve Disputes under this Section 7.3(c)(vi) and Section 14.1, if a decision is required within a shorter time period in order to preserve rights in, or the scope of, any
Collaboration Patent, the outside patent counsel shall make the final decision within such shorter time period, without referring the Dispute to the Executives; provided, however, if reasonably possible, the outside counsel shall consult with the Researching Parties prior to making any such final decision.

(d) **Collaboration Patents: After the Research Term.** Following selection by the Parties of their Draft Pick Targets in accordance with Section 2.11:

(i) Subject to Section 7.3(d)(iii), as between the Parties, Constellation shall have the sole right, at its sole discretion and expense, to Prosecute and Maintain the Collaboration Patents directed to the Constellation Draft Pick Targets ("**Constellation Collaboration Patents**").

(ii) Subject to Section 7.3(d)(iii), as between the Parties, Licensee shall have the sole right, at its sole discretion and expense, to Prosecute and Maintain the Collaboration Patents directed to the Genentech Draft Pick Targets ("**Genentech Collaboration Patents**").

(iii) If there are any Collaboration Patents that are either both a Constellation Collaboration Patent and a Genentech Collaboration Patent or are neither a Constellation Collaboration Patent or a Genentech Collaboration Patent, then, except as set forth in Section 7.3(d)(iv) below or otherwise agreed to by the Parties, such Collaboration Patents shall be Prosecuted and Maintained in accordance with Section 7.3(c) (disregarding any references therein limiting its application to the Research Term or requiring only Genentech, and not Roche, to exercise the rights thereunder).

(iv) Notwithstanding Section 7.3(d)(iii), Collaboration Patents directed to an LO Compound first synthesized by or on behalf of Constellation shall be deemed “**Constellation Collaboration Patents**” and Collaboration Patents directed to an LO Compound first synthesized by or on behalf of Licensee shall be deemed “**Genentech Collaboration Patents**.”

7.4 **Patent Interferences or Derivation Proceedings.** If an interference or a derivation proceeding is declared by the US Patent and Trademark Office between one or more of the Patents owned by Constellation and Licensee, and such declared interference or derivation proceeding does not involve any Patents owned by a Third Party, then to the extent such Patents claim a Collaboration Compound, Licensed Product or Companion Diagnostic, the Parties shall in good faith establish a mutually agreeable process to resolve such interference or derivation proceeding in a reasonable manner in conformance with all applicable legal standards, but with the goal to not prejudice either Party.

7.5 **Inventorship; CREATE Act.**

(a) **Inventorship.** The determination of inventorship of Research Collaboration Inventions shall be made in accordance with United States patent law.
(b) CREATE Act. It is the intention of the Parties that this Agreement is a “joint research agreement” as that phrase is defined in Public Law 108-453 (the "CREATE Act"). In the event that either Party to this Agreement intends to overcome a rejection of a claimed invention within the Research Collaboration IP pursuant to the provisions of the CREATE Act, such Party shall first obtain the prior written consent of the other Party. Following receipt of such written consent, such Party shall limit any amendment to the specification or statement to the US Patent and Trademark Office with respect to this Agreement to that which is strictly required by 35 USC § 103(c) (or as otherwise reflected under the America Invents Act) and the rules and regulations promulgated thereunder and which is consistent with the terms and conditions of this Agreement (including the scope of the Research Collaboration). To the extent that the Parties agree that, in order to overcome a rejection of a claimed invention within the Research Collaboration IP pursuant to the provisions of the CREATE Act, the filing of a terminal disclaimer is required or advisable, the Parties shall first agree on terms and conditions under which the patent application subject to such terminal disclaimer and the patent or application over which such application is disclaimed shall be jointly enforced, to the extent that the Parties have not previously agreed to such terms and conditions. In the event that a Party enters into an agreement with a Third Party with respect to the further research, development or commercialization of a Collaboration Compound, Companion Diagnostic, or Licensed Product, the Parties shall, upon such Party’s request, discuss whether the other Party should similarly enter into such agreement with such Third Party for the purposes of furthering the Parties’ objectives under this Agreement, provided that such agreement does not place any material obligation on such other Party.

Article 8
Enforcement and Defense of IP; Defense of Third Party Infringement Claims

8.1 Notice. With respect to intellectual property that is within the scope of the licenses under Section 4.4 (for the purposes of this Section 8.1, the “Licensed Draft Pick Target IP”), each Party shall promptly notify the other Party upon learning of any (i) actual or suspected infringement or misappropriation by a Third Party (collectively, an “Infringement”) of the Licensed Draft Pick Target IP or (ii) claim by a Third Party of invalidity, unenforceability or non-infringement of a Patent within the Licensed Draft Pick Target IP.

8.2 Enforcement of IP.
(a) Enforcement.

(i) Constellation Licensed IP; Constellation Other IP. Except as set forth in Sections 8.2(a)(ii) and (iii) below, Constellation shall have the sole right (but not the obligation) to seek to abate any Infringement of the Constellation Licensed IP or the Constellation Other IP by a Third Party, or to file suit against any such Third Party.
(ii) **Field Infringement.** Notwithstanding the foregoing, if the Infringement of the Constellation Licensed IP or the Constellation Other IP results from a Third Party’s making, using, importing, offering for sale or selling of a compound that meets the Compound Criteria for a Genentech Draft Pick Target which is (at such time) exclusively licensed to Licensee under this Agreement (a “**Field Infringement**”), then Licensee shall have the sole right (but not the obligation) to seek to abate any such Field Infringement of the Constellation Licensed IP or the Constellation Other IP by a Third Party, including by filing suit against any such Third Party. Constellation shall cooperate with Licensee in any such action (as may be reasonably requested by Licensee), including, if necessary, by being joined as a party, and Licensee shall keep Constellation updated with respect to any such action, including providing copies of all documents received or filed in connection with any such action.

(iii) **Research Collaboration IP.**

(A) **Draft Pick Target Research Collaboration IP.** Each Party will have the sole right (but not the obligation) to seek to abate any Infringement of the Research Collaboration IP for which such Party has sole Prosecution and Maintenance rights in accordance with Section 7.3(d)(i) or Section 7.3(d)(ii) by a Third Party, or to file suit against any such Third Party.

(B) **Other Research Collaboration IP.** For any Research Collaboration IP for which the Prosecution and Maintenance is covered by Section 7.3(d)(iii), Licensee shall have the first right (but not the obligation) to seek to abate any such Infringement of the Research Collaboration IP by a Third Party, or to file suit against any such Third Party. If Licensee does not, within [**] of receipt of a notice under Section 8.1 (or [**] of receipt of a Paragraph IV Notice), take steps to abate the Infringement, or file suit to enforce the Research Collaboration IP against such Third Party, Constellation shall have the right (but not the obligation) to take action to enforce the Research Collaboration IP against such Third Party. The non-controlling Party shall cooperate with the Party controlling any such action (as may be reasonably requested by the controlling Party), including, if necessary, by being joined as a party, and the Party controlling any such action shall keep the other Party updated with respect to any such action, including providing copies of all documents received or filed in connection with any such action.
(b) Settlement. The Party controlling any action described in Section 8.2(a)(ii) or (iii) shall not settle or consent to an adverse judgment (including any judgment that affects the scope, validity or enforcement of any Constellation Licensed IP, Constellation Other IP or Research Collaboration IP) without the express written consent of the non-controlling Party (such consent not to be unreasonably withheld); provided, however, Licensee may settle or consent to an adverse judgment in any action described in Section 8.2(a)(ii) without obtaining such consent from Constellation, unless such settlement or judgment would either (i) impose a financial obligation upon Constellation or (ii) limit the scope of or invalidate any Constellation Licensed IP or Constellation Other IP.

(c) Damages. Unless otherwise agreed by the Parties, and subject to the Parties’ respective obligations under Article 13, all monies recovered upon the final judgment or settlement of any action described in Section 8.2(a)(ii) or (iii), shall be used as follows: (i) first, to reimburse each of Licensee and Constellation, on a pro rata basis for its out-of-pocket costs relating to such action; and (ii) second, any remaining amount (after relevant adjustments to convert to Net Sales of Licensed Products) shall be treated as Net Sales, to be retained or paid to the Party(ies) with the right to sell the product whose sales are or would be negatively affected by the relevant Infringement and subject to the royalty obligations set forth in Section 5.5.

8.3 Defense of Patents. If a Third Party brings a claim of invalidity, unenforceability or non-infringement of a given Patent within the Constellation Licensed IP, the Constellation Other IP or the Research Collaboration IP (e.g., a declaratory judgment action or a nullity proceeding), the Party that has final decision making authority (and is responsible for the out-of-pocket costs for the Prosecution and Maintenance of such Patent) at the time such claim is brought (in accordance with Section 7.3), shall be solely responsible for defending such Third Party claim, at its sole discretion and expense.  

8.4 Defense of Third Party Infringement Claims. If a Third Party brings a claim of infringement or misappropriation against a Party on account of the manufacture, use, offer for sale, sale or import of any Collaboration Compound, Companion Diagnostic, or Licensed Product, such Party shall be solely responsible for defending such Third Party claim, at its sole discretion and expense. At such Party’s request and expense, the other Party shall reasonably cooperate with such Party in connection with any such defense, including, if necessary, by being joined as a party.

Article 9  
Confidentiality  

9.1 Disclosure and Use of Confidential Information. Except to the extent expressly authorized by this Agreement, each Party (the “Receiving Party”) in possession of the Confidential Information of the other Party (the “Disclosing Party”) agrees to: (a) hold in confidence and not disclose the Disclosing Party’s Confidential Information to any Third Party and (b) only use the Disclosing Party’s Confidential Information for purposes of this Agreement or under any license granted to the Receiving Party under this Agreement.
9.2 Exceptions. The obligations of the Receiving Party set forth in Section 9.1 shall not apply to the Disclosing Party’s Confidential Information to the extent that the Receiving Party establishes that such Confidential Information:

(a) was already known to the Receiving Party, other than under an obligation of confidentiality, at the time of its disclosure by the Disclosing Party;
(b) was generally available to the public or otherwise part of the public domain at the time of its disclosure by the Disclosing Party;
(c) became generally available to the public or otherwise part of the public domain, other than through any act or omission of the Receiving Party in breach of this Agreement, after its disclosure by the Disclosing Party;
(d) was disclosed to the Receiving Party, other than under an obligation of confidentiality, by a Third Party who had no obligation to the Disclosing Party not to disclose such information to others;
(e) was subsequently developed by or on behalf of the Receiving Party without use of the Disclosing Party’s Confidential Information; or
(f) is no longer subject to the provisions of Section 9.1 by the written consent of the Disclosing Party.

9.3 Authorized Disclosures.

(a) Legal Compliance. A Party may disclose the other Party’s Confidential Information if such disclosure is required by law, rule or regulation (including to comply with the order of a court or governmental regulations or regulations of any nationally recognized securities exchange), but only to the extent such disclosure is reasonably necessary for such compliance; provided, however, except for disclosures otherwise permitted under this Section 9.3, or as otherwise required or necessitated by law, such Party shall provide prompt notice of such disclosure requirement to the other Party and provide reasonable assistance to enable such other Party to seek a protective order or otherwise prevent such disclosure.

(b) Regulatory Authorities. A Party may disclose the other Party’s Confidential Information to a Regulatory Authority to the extent such disclosure is required to comply with applicable governmental regulations or to conduct preclinical or clinical studies related to its Collaboration Compounds or Licensed Products, and other compounds that meet the Compound Criteria for, and are directed to, its Draft Pick Targets, and related Companion Diagnostics.
(c) **Patent Prosecution.** A Party may disclose the other Party’s Confidential Information to the extent such disclosure is reasonably necessary for the Prosecution and Maintenance of any patent application or patent on inventions, subject to the provisions of Section 7.3.

(d) **Permitted Third Parties.** Subject to all the terms and conditions of this Agreement, including Section 2.4, the Receiving Party may disclose and grant use of particular Confidential Information of the Disclosing Party to the Receiving Party’s and its Affiliates’ employees, sublicensees, Permitted Contractors, and permitted agents, consultants, clinical investigators, collaborators or contractors as the Receiving Party reasonably determines is necessary to receive the benefits of or fulfill its obligations pursuant to this Agreement; *provided, however*, any such disclosure must be subject to written obligations at least as restrictive as those set forth in this Article 9. Except as otherwise expressly provided in this Agreement, nothing in Article 9 shall restrict either Party from using or disclosing any of its own Confidential Information for any purpose whatsoever.

### 9.4 Continuing Obligation.

Article 9 shall survive the expiration or termination of this Agreement for a period of ten (10) years.

### 9.5 Terms of this Agreement.

The Parties acknowledge that the terms of this Agreement shall be treated as Confidential Information of both Parties. Such terms may be disclosed by a Party: (a) to its Affiliates; (b) subject to Section 4.6(b), to collaborators, potential collaborators, licensees, potential licensees, sublicensees or potential sublicensees but only after redacting terms not relevant to the rights and obligations being undertaken or contemplated to be undertaken by such collaborators, licensees or sublicensees, and only for limited purposes as necessary for that collaborator, licensee or sublicensee to perform its obligations or exercise its rights; (c) to licensors and potential licensors, but only to the extent required pursuant to the relevant agreement(s) with such licensor or potential licensor, after redacting terms not relevant or required by such licensor; (d) connection with a required filing to the Securities and Exchange Commission, subject to Article 10 below; and (e) subject to Section 15.3 and the terms of the Option Agreement and the Merger Agreement, to a bona-fide acquirer, potential acquirer, investor or potential investor but only after redacting terms not relevant to the transaction being undertaken or contemplated and solely if and to the extent reasonably necessary to enable a potential acquisition or investment and for the limited purposes as required in connection with such transaction. In addition a Party may disclose a summary of the material terms of this Agreement to investment bankers and lenders, solely to the extent necessary to enable a potential financing transaction and for the limited purposes as required in connection with such transaction. Any disclosures made by a Party pursuant to this Section 9.5 shall be subject to a written agreement including terms of use and confidentiality at least as restrictive as the terms set forth in this Article 9.
9.6 Termination of Prior Agreements. As of the Effective Date, this Agreement supersedes the Mutual Confidentiality Agreement between Genentech and Constellation effective as of May 17, 2011, as amended by Amendment Number One effective as of July 15, 2011 (the “Prior CDA”). All “INFORMATION” (as defined in such Prior CDA) exchanged between the Parties thereunder shall be deemed Confidential Information hereunder and shall be subject to the provisions of Article 9.

10.1 Press Releases and Other Public Disclosures.

(a) Definition of Disclosures. For purposes of Section 10.1, a “Disclosure” means a press release or other public disclosure concerning this Agreement or the subject matter hereof, including (i) the existence and terms and conditions of this Agreement; (ii) information arising from the Research Plan; and (iii) entities known by either Party to be the other Party’s Draft Pick Targets or Collaboration Compounds, and any information specifically related to such Draft Pick Target or Collaboration Compounds. Disclosures exclude public communications that contain previously disclosed information publicly disclosed in accordance with Article 9 or this Article 10. The provisions of Section 10.1 are in addition to the provisions of Article 9.

(b) Review of Disclosures. Subject to 10.1(c), neither Party may publish or make an oral Disclosure of Confidential Information of the other Party arising from the Research Collaboration absent the other Party’s prior written consent. In addition, and except as set forth in Section 10.1(e) with respect to scientific publications, each Party agrees that the other Party shall have no less than [**] before the date of a proposed Disclosure to review and provide comments regarding any proposed Disclosure, even if such proposed Disclosure is required by law, rule or regulation (including the disclosure requirements of the Securities and Exchange Commission or the securities exchange or other stock market on which such Party’s securities are traded), unless a shorter review time is agreed to by both Parties or is otherwise required by law, rule or regulation.

(c) Disclosures.

(i) During the Research Term, each Party shall have the right to review and provide comments regarding proposed Disclosures by the other Party, in accordance with Section 10.1(b), and, subject to Sections 9.5 and 10.1(d), all such Disclosures shall be subject to prior written consent by such other Party, such consent not to be unreasonably withheld.

(ii) After the Research Term, notwithstanding Section 10.1(b), Disclosures by a Party related to its Draft Pick Target, compounds directed thereto and Companion Diagnostics for use with such compounds, and/or any target that is not a
Draft Pick Target exclusively licensed to the other Party (and compounds directed to such targets), shall not be subject to either review or approval by the other Party; provided, however, that, (y) subject to Sections 9.5 and 10.1(d) with respect to the terms of this Agreement, neither Party shall, without the other Party’s prior written consent, disclose any Confidential Information of such other Party, except to the extent exclusively licensed to the Party and such Disclosure is relevant to such Party exercising its exclusive rights to develop and commercialize compounds directed to, and meeting the Compound Criteria for, such Party’s Draft Pick Targets or Companion Diagnostics for use therewith; and (z) neither Party shall disclose Research Collaboration Inventions for which the other Party, or both Parties, are responsible for Prosecution and Maintenance prior to the filing of a patent application covering such Research Collaboration Invention, provided that the Party (or Parties) responsible for Prosecution and Maintenance shall have [**] after a requested disclosure to either file a patent application or reasonably agree that no such patent application will be filed. Each Party hereby approves of the other Party: (i) issuing the press release set forth in Exhibit E on or shortly after the Effective Date; and (ii) including such Party on a list of such other Party’s partners or licensees/licensors, without identifying any subject matter of this Agreement.

(d) Disclosure Required by Law. In the event that one Party reasonably concludes that a Disclosure is required by law, rule or regulation (including the disclosure requirements of the Securities and Exchange Commission or the securities exchange or other stock market on which such Party’s securities are traded (for purposes of this Section 10.1, collectively, an “Exchange”)) and the other Party would prefer not to make such Disclosure, the Party seeking such Disclosure shall either (i) limit such Disclosure to address the concerns of the other Party or (ii) provide a written notice that, in the opinion of counsel, such limited Disclosure is not sufficient to comply with the applicable law, rule or regulation. Each Party agrees that it shall obtain its own legal advice with regard to its compliance with securities and other laws, rules and regulations, and will not rely on any statements made by the other Party relating to such laws, rules and regulations.

(e) Scientific Publications. Subject to 10.1(c), each Party shall have the right to review and approve any scientific paper or presentation proposed for disclosure by the other Party which utilizes data generated from the Research Collaboration and/or includes Confidential Information of the other Party in accordance with the following process. Before any such paper or presentation is disclosed, the Party proposing disclosure shall deliver a complete copy to the other Party at least [**] prior to submitting the paper to a publisher or making the presentation to a Third Party. The JRC (or the other Party if the JRC is no longer in existence) shall review any such paper or presentation and give its comments to the disclosing Party within [**] of its receipt of such paper or presentation. The disclosing Party shall comply with the reviewing Party’s request to delete references to Confidential Information of the reviewing Party in any such paper or presentation. Once a publication has been approved by the reviewing Party (directly or through the JRC), or if the reviewing Party has not commented on such publication during such [**] period, and/or once the disclosing Party has complied with
the reviewing Party’s request to delete references to Confidential Information of the reviewing Party, the disclosing Party may make subsequent disclosures of the contents of such publication without further review by the reviewing Party. Each Party shall acknowledge the other Party in any scientific Disclosure (e.g., a manuscript or presentation) in accordance with standard academic and scientific publication practices.

10.2 Use of Names. Except as otherwise expressly provided in this Agreement, no right, express or implied, is granted by this Agreement to use in any manner the name of “Constellation,” “Genentech,” “Roche” or any other trade name or trademark of the other Party in connection with the performance of this Agreement.

Article 11 
Term; Termination

11.1 Term. This Agreement shall be effective as of the Effective Date. Genentech may cancel this Agreement by written notice to Constellation at any time after the Signing Date but prior to the Effective Date if Genentech has terminated the Option Agreement pursuant to Section 7.1(d) thereof, and thereafter this Agreement shall have no further force or effect. Unless sooner terminated as provided in Article 11 or as provided in the Merger Agreement, this Agreement shall expire on the date on which all of the Parties’ possible obligations under this Agreement with respect to payments (other than payments under this Article 11) have expired.

11.2 Termination for Material Breach.

(a) Generally. Subject to Section 11.2(b), either Party may terminate this Agreement, in whole or on a country-by-country, Draft Pick Target-by-Draft Pick Target, and/or a Licensed Product-by-Licensed Product basis by notice to the other Party, for any material breach of this Agreement by the other Party, if such breach is not cured within [*] after the breaching Party receives notice specifying such breach and noting the intent to terminate from the non-breaching Party. The cure period may be extended by written agreement of the Parties. Any Dispute as to whether a notice of termination pursuant to this Section 11.2(a) is proper, or whether a breach has occurred, is material or has been cured, shall be resolved under Article 14. In such event, if the allegedly breaching Party is found to be in material breach, such breaching Party shall have [*] (or longer, as determined during the resolution of such Dispute) to cure such material breach following the resolution of such Dispute.

(b) Related to a Country, Draft Pick Target or Licensed Product. If a Party has the right to terminate this Agreement due to a material breach by the other Party, and if such breach relates solely to a given country, Draft Pick Target or Licensed Product, then, subject to this Section 11.2(b), the non-breaching Party may only exclude such country, Draft Pick Target, or Licensed Product from the scope of the license under Section 4.4, and may not terminate the
entire Agreement. To the extent that this Agreement is terminated only with respect to a particular Draft Pick Target, Licensed Product or Terminated Country(ies), the provisions of Section 11.5 shall apply only to such Draft Pick Target or Licensed Product or the Terminated Country(ies) as applicable.

11.3 Termination for Convenience. Subject to payment of the Committed Funding, Genentech may terminate this Agreement or the Research Collaboration at any time during the Research Term on thirty (30) days prior written notice to Constellation. In addition, following the Initial Research Term or, if extended, only following the First Extended Research Term, Licensee shall have the right to terminate this Agreement in its entirety, or on a country-by-country, Genentech Draft Pick Target-by-Genentech Draft Pick Target, and/or Licensed Product-by-Licensed Product basis (with respect to any Licensed Product directed to a Genentech Draft Pick Target), in its sole discretion, upon ninety (90) days prior written notice to Constellation.

11.4 Termination for Bankruptcy and Other Bankruptcy Matters.

(a) Right to Terminate. In addition to any other remedies available to it by law or in equity, either Party may terminate this Agreement, to the extent permitted by applicable law by written notice to the other Party in the event of an Insolvency Event of the other Party.

(b) Retention of Rights. All rights and licenses granted under or pursuant to this Agreement are, and shall otherwise be deemed to be, for purposes of paragraph 365(n) of the Bankruptcy Code, licenses of rights to “intellectual property” as defined under paragraph 101(35A) of the Bankruptcy Code. Licensee and Constellation agree each such Party, as a licensee of such rights under this Agreement, shall retain and may fully exercise all of its rights and elections under the Bankruptcy Code. Constellation and Licensee further agree that in the event of the commencement of an Insolvency Event of a Party, including under the Bankruptcy Code, the other Party shall be entitled to complete access to any such intellectual property of such Party that pertains to the rights granted in the licenses under this Agreement and all embodiments of such intellectual property.

11.5 Effects of Termination or Expiration.

(a) Termination by Licensee for Material Breach or an Insolvency Event of Constellation. In the event that Licensee terminates this Agreement pursuant to Section 11.2(a) (for Constellation’s material breach) or Section 11.4 (for an Insolvency Event of Constellation), as of the effective date of such termination (and solely with respect to the terminated Constellation Draft Pick Target, Licensed Product or Terminated Country(ies) if applicable):

(i) to the extent the Research Collaboration is not already completed, it shall immediately terminate, and all activities under the corresponding Research Plan shall immediately cease, including any obligation to pay any FTE Payments (including the Committed Funding) for any further activities under such terminated Research Plan;
within [**] after the effective date of such termination, Constellation shall submit to Genentech an FTE Report in accordance with Section 6.2(a) for any amount outstanding since the last invoice, and the relevant Researching Party shall submit to the other Researching Party any payments due to such other Researching Party for adjustments to the previously paid FTE Payment made in accordance with Section 6.2(a);

(iii) to the extent the Research Collaboration is not already completed, within [**] after the effective date of such termination, Constellation shall provide Genentech with information and reports as set forth in Section 2.6, and any Research Collaboration Materials created during the Research Term or provided by Genentech to Constellation and then in Constellation’s possession to the extent set forth in Section 2.7(e);

(iv) to the extent the Research Collaboration has been completed, within [**] after the effective date of such termination, Constellation shall provide Genentech with information and reports as set forth in Section 2.6, and any Research Collaboration Materials created during the Research Term or provided by Genentech to Constellation and then in Constellation’s possession to the extent set forth in Section 2.7(e);

(v) to the extent the Research Collaboration is not already completed, within [**] after the effective date of such termination, Constellation shall provide Genentech with information and reports as set forth in Section 2.6, and any Research Collaboration Materials created during the Research Term or provided by Genentech to Constellation and then in Constellation’s possession to the extent set forth in Section 2.7(e);

(vi) the licenses granted by Genentech to Constellation under Section 4.1 and 4.4(b) shall terminate;

(vii) within [**] after the effective date of a termination by Licensee pursuant to Section 11.2(a) or Section 11.4, upon written request by Licensee, the Parties will negotiate in good faith the commercially reasonable terms under which Constellation would provide to Licensee any additional data, information, materials and/or rights Controlled by Constellation and necessary for the continued development and commercialization of such terminated Constellation Draft Pick Target and compounds that are directed to such terminated Constellation Draft Pick Target and meet the Compound Criteria, or terminated Licensed Product in such Terminated Country(ies). The Parties shall negotiate in good faith for a period of at least [**];

(viii) Sections 2.4 (solely with respect to Constellation and for the duration of time that would be left under the Research Term but for the termination), 2.7 (with respect to Constellation), 4.2, 4.3, 4.6, 4.7, 4.8, 4.9, 4.10, 4.11, 5.5(c)-(g), 6.1, 6.2(b), 6.3, 6.4, 6.5, 6.6, 7.3, 7.5 and Articles 1, 8, 9, 10, 11 (other than Constellation’s right to terminate under 11.2), 12, 13, 14 and 15 shall survive;

(ix) the Parties shall in good faith negotiate and enter into amendments to Section 7.3 and Article 8 that shall vest in Licensee control over Prosecution and Maintenance
CONFIDENTIAL EXECUTION VERSION

of Collaboration Patents and sole and exclusive control over all actions (judicial and otherwise) to enforce or defend the Constellation Licensed IP or the Constellation Other IP to the extent solely Covering Licensee’s Draft Pick Targets or Licensed Products, and Constellation shall cooperate with any reasonable request of Licensee in connection with the foregoing, at Licensee’s expense;

(x) each Party shall return or destroy, subject to the terms of Article 9, any Confidential Information of the other Party related to such terminated Constellation Draft Pick Target, Licensed Product and/or Terminated Country and not otherwise applicable to other Draft Pick Targets, Licensed Products or countries;

(xi) all obligations of Licensee to pay milestones and royalty payments to Constellation under Article 5 with respect to the terminated Licensed Product and/or the Terminated Country shall terminate, and Licensee shall pay Constellation a royalty on Net Sales of terminated Licensed Products that are Covered by a Valid Issued Claim in the Research Collaboration IP or the Constellation Licensed IP or the Constellation Other IP in the Terminated Country(ies) of [**] percent ([**]%). Such royalty shall be in lieu of a royalty based on the Royalty Rates set forth in Sections 5.5(a) and (b), but shall be subject to Sections 5.5(c)-(g) and the provisions of Article 6; and

(xii) except as set forth in this Section 11.5(a), and in Sections 11.5(c)-(f), all rights and obligations of each Party under this Agreement with respect to such terminated Constellation Draft Pick Target (and all Collaboration Compounds directed to such Constellation Draft Pick Target), terminated Licensed Products and/or Terminated Country(ies) shall terminate.

(b) Termination by Constellation for Material Breach or an Insolvency Event of Licensee; Termination by Licensee for Convenience. In the event that Constellation terminates this Agreement pursuant to Section 11.2(a) (for Licensee’s material breach) or pursuant to Section 11.4 (for an Insolvency Event of Licensee), or Licensee terminates this Agreement pursuant to Section 11.3 (for convenience), as of the effective date of such termination (and solely with respect to the terminated Genentech Draft Pick Target, Licensed Product or Terminated Country(ies), if applicable):

(i) to the extent the Research Collaboration is not already completed, the Research Collaboration shall immediately terminate, and all activities under the corresponding Research Plan shall immediately cease;

(ii) within [**] after such termination, Licensee shall pay the balance of the Committed Funding for the Initial Research Term, or for the First Extended Research Term (or the Second Extended Research Term, if the Parties have agreed in writing to an amount of Committed Funding for the Second Extended Research Term) if such termination occurs in the First Extended Research Term or the Second Extended Research Term, and, only with respect to the Second Extended Research Term, such payment shall be subject to any credits due to Licensee in accordance with the adjustments made under Section 6.2(a) and Licensee shall continue to pay the FTE Payments covering actual costs of reasonable wind-down activities related to such terminated Research Plan not to exceed [**];
(iii) the licenses granted by Genentech to Constellation under Section 4.1 (but solely for the remainder of any time period during which the Research Term would have run but for the termination, if any) and 4.4(b) shall survive and become irrevocable;

(iv) the licenses granted by Constellation to Genentech under Sections 4.1 and 4.4(a) shall terminate;

(v) each Party shall return or destroy, subject to the terms of Article 9, any Confidential Information of the other Party related to the terminated Genentech Draft Pick Target, terminated Licensed Product and/or Terminated Country(ies) and not otherwise applicable to other Genentech Draft Pick Targets, Licensed Products or countries;

(vi) Sections 4.2, 4.3, 4.5, 4.7, 4.8, 4.10, 4.11, 7.5, 8.2(a)(iii), 8.2(b) (solely with respect to Research Collaboration IP) and Articles 1, 9, 10, 11 (other than Licensee’s right to terminate under 11.2 and 11.3), 12, 13, 14, and 15 shall survive;

(vii) the Parties shall in good faith negotiate and enter into amendments to Section 7.3 and Article 8 that shall vest in Constellation control over Prosecution and Maintenance of Collaboration Patents and sole and exclusive control over all actions (judicial and otherwise) to enforce or defend the Constellation Licensed IP or the Constellation Other IP to the extent solely Covering Constellation’s Draft Pick Targets or Licensed Products, and Licensee shall cooperate with any reasonable request of Constellation in connection with the foregoing, at Constellation’s expense;

(viii) within [**] after the effective date of a termination by Constellation pursuant to Section 11.2(a) or Section 11.4, or by Licensee pursuant to Section 11.3, upon written request by Constellation, the Parties will negotiate in good faith the commercially reasonable terms under which Licensee would provide to Constellation any additional information, materials and/or rights Controlled by Licensee and necessary for the continued development and commercialization of such terminated Genentech Draft Pick Target and compounds that are directed to such terminated Genentech Draft Pick Target and meet the Compound Criteria, or terminated Licensed Product in such Terminated Country(ies). The Parties shall negotiate in good faith for a period of at least [**];

(ix) all obligations of Constellation to pay milestones and royalty payments to Genentech under Article 5 with respect to the terminated Licensed Product and/or the Terminated Country(ies) shall terminate, and Constellation shall pay Genentech a royalty on Net Sales of terminated Licensed Products that are Covered by a Valid Issued Claim in the Research Collaboration IP in the Terminated Country(ies) of [**] percent (\([**]\)%). Such royalty shall be in lieu of a royalty based on the Royalty Rates set forth in Sections 5.5(a) and (b), but shall be subject to Sections 5.5(c)-(g) and the provisions of Article 6; and

(x) except as set forth in this Section 11.5(b), and in Sections 11.5(c)-(f), all rights and obligations of each Party under this Agreement with respect to such terminated Genentech Draft Pick Target, Licensed Product and/or Terminated Country(ies) shall immediately terminate.
(c) **Inventory of Licensed Products.** In the event that the licenses under Section 4.4 terminate for any reason in any country (or a given Licensed Product is excluded from the scope of the license under Section 4.4), the terminated Party shall have the right to sell or otherwise dispose of Licensed Products (or such excluded Licensed Product) then in stock, subject to Royalty Payments and Article 6, and the terminating Party hereby covenants that such terminated Party shall not be sued for infringement under any intellectual property rights Controlled by the terminating Party with respect to activities conducted by the terminated Party pursuant to this Section 11.5(c).

(d) **Continuation of Sublicenses.** In the event that the licenses under Section 4.4 terminate for any reason in any country (or a Licensed Product is excluded from the scope of the license under Section 4.4) other than termination of this Agreement by Licensee pursuant to Section 11.3 (for Licensee’s convenience), any existing sublicenses granted by the terminated Party under the license under Section 4.4 to a sublicensee, shall continue in full force and effect, *provided* that such sublicensee agrees to be bound by all the terms and conditions of this Agreement that are applicable to such sublicensee, including rendering directly to the terminating Party all payments and other obligations due related to such sublicense (e.g., Milestone Payments for the achievement of Milestone Events by such sublicensee and Royalty Payments based on sales of Licensed Products by such sublicensee).

(e) **Accrued Rights and Obligations.** Except as otherwise expressly provided in this Agreement, termination of this Agreement shall not affect the rights and obligations of the Parties that accrued prior to the effective date of such termination. Any right that a Party has to terminate this Agreement, and any rights that such Party has under Article 11, shall be in addition to and not in lieu of all other rights or remedies that such Party may have at law or in equity or otherwise, including rights under the Bankruptcy Code.

(f) **Survival.** To the extent applicable to a Section or Article that survives the expiration or termination of this Agreement, any other Sections and Articles that are referenced in, or refer to, such surviving Section or Article shall survive solely for the purposes of such interpretation.

**Article 12**

**Representations and Warranties**

12.1 **Mutual Representations and Warranties.** Each Party represents and warrants to the other Party that as of the Signing Date:

(a) it is validly organized under the laws of its jurisdiction of incorporation;
the execution, delivery and performance of this Agreement, including the Exhibits hereto have been duly authorized by all necessary corporate action on its part;

whereas the performance, delivery and performance of this Agreement, including the Exhibits hereto have been duly authorized by all necessary corporate action on its part;

when executed and delivered, this Agreement will constitute a legal, valid and binding obligation of such Party enforceable against it in accordance with its terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors rights generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies;

it has the legal right and power to enter into this Agreement and to fully perform its obligations hereunder and thereunder;

the performance of its obligations will not conflict with such Party's charter documents or any agreement, contract or other arrangement to which such Party is a party;

it follows reasonable commercial practices common in the industry to protect its proprietary and confidential information, including requiring its employees, consultants and agents to be bound in writing by obligations of confidentiality and non-disclosure, and requiring its employees, and individuals who are consultants and agents to assign to it any and all inventions and discoveries discovered by such employees, consultants or agents made within the scope of, and during their employment by or relationship with such Party, and only disclosing proprietary and confidential information to Third Parties pursuant to written confidentiality and non-disclosure agreements; and

it has not been debarred under the provisions of the Generic Drug Enforcement Act of 1992, 21 U.S.C. Sec. 335(a) and (b). In the event that during the term of this Agreement a Party or any of its employees (or contractors or consultants working on activities related to this Agreement) (i) becomes debarred; or (ii) receives notice of an action with respect to its debarment, such Party agrees to immediately notify the other Party and, if it becomes debarred, it shall immediately cease all activities related to this Agreement.

12.2 Constellation Representations and Warranties. Constellation hereby represents and warrants the following to Licensee:

other than approvals that may be required under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder, it has obtained all necessary consents, approvals and authorizations of all governmental authorities and other persons or entities required to be obtained by it in connection with this Agreement (as of the Signing Date) and the execution and delivery of this Agreement by Constellation, the performance by Constellation of its obligations hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action on the part of the board of directors and stockholders of Constellation, and no other action on the part of Constellation or its board of directors or stockholders is necessary to authorize the execution and delivery of this Agreement by Constellation or the consummation by Constellation of the transactions contemplated hereby other than such actions which have been taken on or prior to the date hereof;
(b) as of the Signing Date, Constellation has no knowledge of any Infringement by a Third Party of the Constellation Licensed IP, the Constellation Other IP or the Constellation Research IP, or of any claim by a Third Party of invalidity, unenforceability or non-infringement of a Patent within the Constellation Licensed IP, the Constellation Other IP or the Constellation Research IP;

(c) subject to the disclosure set forth in the email having the subject line “License and Collaboration Agreement – Section 12.2(c)”, dated January 8, 2012 from Garen Bohlin, Executive Vice President of Constellation, to Tim Schwartz, Associate General Counsel, Patents of Genentech, it has the legal right and power to extend the rights and licenses granted to Licensee hereunder;

(d) except for the Patents licensed to it pursuant to the Harvard License, it does not Control any intellectual property, other than the Constellation Licensed IP, the Constellation Other IP, the Constellation Research IP and the Research Collaboration IP, that would be infringed by Licensee in commercializing Collaboration Compounds, Licensed Products and/or Companion Diagnostics directed to the Genentech Draft Pick Targets; and

(e) it has not entered into or agreed to enter into any agreements that conflict in any way with this Agreement or Constellation’s obligations hereunder.

12.3 Licensee Representations and Warranties. Genentech and Roche each hereby represent and warrant the following to Constellation:

   i. other than approvals that may be required under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder, it has obtained all necessary consents, approvals and authorizations of all governmental authorities and other persons or entities required to be obtained by it in connection with this Agreement (as of the Signing Date) and the execution and delivery of this Agreement by such Party, the performance by such Party of its obligations hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action on the part of the board of directors (or other relevant body) and stockholders (or the equivalent) of such Party, and no other action on the part of such Party or its board of directors (or other relevant body) and stockholders (or the equivalent) is necessary to authorize the execution and delivery of this Agreement by such Party or the consummation by such Party of the transactions contemplated hereby, other than such actions which have been taken on or prior to the date hereof;

   ii. as of the Signing Date, such Party has no knowledge of any Infringement by a Third Party of the Genentech Research IP, or of any claim by a Third Party of invalidity, unenforceability or non-infringement of a Patent within the Genentech Research IP;
iii. Licensee has the legal right and power to extend the rights and licenses granted to Constellation hereunder; and

iv. it has not entered into or agreed to enter into any agreements that conflict in any way with this Agreement or such Party’s obligations hereunder.

12.4 Disclaimers. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, THE OPTION AGREEMENT OR THE MERGER AGREEMENT NEITHER PARTY MAKES ANY REPRESENTATION OR WARRANTY OF ANY KIND WITH RESPECT TO MATERIALS OR INFORMATION SUPPLIED BY IT TO THE OTHER PARTY HEREUNDER, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

Article 13
Indemnification; Limitation on Liability; Insurance

13.1 Indemnification.

(a) Definitions. The following definitions are for purposes of Section 13.1:

(i) “Claims” means claims, suits, actions, demands or other proceedings by any Third Party.

(ii) “Indemnitee” means, as applicable, a Constellation Indemnitee (as defined in Section 13.1(b)) or a Licensee Indemnitee (as defined in Section 13.1(c)).

(iii) “Losses” means any and all liabilities, damages, settlements, penalties, fines, costs or expenses (including, reasonable attorneys’ fees and other expenses of litigation).

(b) Indemnification by Licensee. Licensee hereby agrees to indemnify, defend (if requested by Constellation) and hold harmless each of Constellation and its officers, directors, employees and agents (for purposes of Section 13.1, each, a “Constellation Indemnitee”) from and against Losses resulting directly from Claims to the extent attributable to (i) Licensee’s breach of its representations or warranties under this Agreement; (ii) activities performed by Licensee under this Agreement or (iii) the discovery, development, manufacture, use, handling, storage, sale or other disposition by Licensee or its Affiliates, sublicensees or distributors after the Research Term of Collaboration Compounds or Licensed Products, or other compounds that meet the Compound Criteria, directed to Genentech Draft Pick Targets, and related Companion Diagnostics (including any claims for product liability). Licensee’s obligations under this Section 13.1(b) shall not apply to the extent that any such Losses are attributable to (A) Constellation’s breach of its representations or warranties under this Agreement or (B) the negligence or willful misconduct of any Constellation Indemnitee.
(c) Indemnification by Constellation. Constellation hereby agrees to indemnify, defend (if requested by Licensee) and hold harmless each of Licensee and its officers, directors, employees and agents (for purposes of Section 13.1, each, a "Licensee Indemnitee") from and against Losses resulting directly from Claims to the extent attributable to (i) Constellation’s breach of its representations or warranties under this Agreement, (ii) activities performed by Constellation under this Agreement or (iii) the discovery, development, manufacture, use, handling, storage, sale or other disposition by Constellation or its Affiliates, sublicensees or distributors after the Research Term of Collaboration Compounds or Licensed Products, or other compounds that meet the Compound Criteria, directed to Constellation Draft Pick Targets, and related Companion Diagnostics (including any claims for product liability). Constellation’s obligations under this Section 13.1(c) shall not apply to the extent that any such Losses are attributable to (A) Licensee’s breach of its representations or warranties under this Agreement or (B) the negligence or willful misconduct of any Licensee Indemnitee.

(d) Indemnification Procedures. The Indemnitee shall (i) notify the indemnifying Party (the "Indemnitor") of any Claim for which it seeks to exercise its rights under Section 13.1(b) or (c) as soon as reasonably possible after it receives notice of such Claim; (ii) permit the Indemnitor to assume the sole control of the defense thereof, including the right to settle or conclude such defense (so long as such settlement does not, with the Indemnitee’s consent, admit liability on the part of the Indemnitee), with counsel mutually satisfactory to the Parties; (iii) cooperate as reasonably requested (at the expense of Indemnitor) in the defense of such Claim; and (iv) not settle such Claim without the express, prior written consent of the Indemnitor. Notwithstanding the foregoing, and subject to this Section 13.1(d)(i), (iii), and (iv), if the Claim relates to a compound that is directed to a Draft Pick Target of the Indemnitee and meets the Compound Criteria therefor or any product containing such compound (including, without limitation, a Licensed Product or Companion Diagnostic) that the Indemnitee or its Affiliate is then commercializing, the Indemnitee shall have the right to retain control of the defense thereof, with the participation of the Indemnitor.

(e) Limitations. The failure of an Indemnitee to deliver notice to the Indemnitor within a reasonable time after the commencement of any Claim for which such Indemnitee seeks to exercise its rights under Section 13.1, to the extent prejudicial to the Indemnitor’s ability to defend such Claim, shall relieve the Indemnitor of its obligation to the Indemnitees under Section 13.1. The Parties agree that only Constellation or Licensee may seek to exercise the rights under Section 13.1 (on its own behalf or on behalf of its Indemnitees), and other Indemnitees may not directly seek to exercise such rights.

13.2 Limitation on Liability. EXCEPT WITH RESPECT TO A MATERIAL BREACH BY GENENTECH OF ITS OBLIGATIONS UNDER SECTION 2.4(c), IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY
CONSEQUENTIAL, INDIRECT, INCIDENTAL OR PUNITIVE DAMAGES, HOWEVER CAUSED, ARISING FROM OR RELATING TO THIS AGREEMENT OR ANY BREACH OF THIS AGREEMENT OR ANY CLAIM ARISING HEREUNDER, PROVIDED, HOWEVER, THAT NOTHING IN THIS SECTION 13.2 IS INTENDED TO LIMIT THE RIGHTS OR OBLIGATIONS OF EITHER PARTY UNDER SECTION 13.1.

13.3 Insurance.

(a) General. Each Party shall maintain insurance coverage as set forth in this Section 13.3 at its own cost; provided, however, Licensee has the right, in its sole discretion, to self-insure, in part or in whole, for any such coverage. Insurance coverage shall be primary insurance with respect to each Party’s own participation under this Agreement and shall be maintained with an insurance company or companies having an A.M. Best’s rating (or its equivalent) of A-VII or better. On request, each Party shall provide to the other Party certificates of insurance evidencing the insurance coverage required under this Section 13.3. Each Party shall provide to the other Party at least [**] notice of any cancellation, nonrenewal or material change in any of the required insurance coverages.

(b) Commercial General Liability Insurance. Each Party shall maintain commercial general liability insurance (for purposes of this Section 13.3(b), “CGL insurance”), (including contractual liability, personal advertising and products/completed operations coverage) with limits no less than US$[**] per occurrence and US$[**] in the aggregate. The CGL insurance policies shall be an occurrence form, but if only a claims-made form is available to a Party, such Party shall maintain the insurance coverage for at least [**] after such Party completes performance of its obligations under this Agreement. Each Party shall name the other Party as an additional insured under its CGL insurance policy.

(c) Workers’ Compensation and Employers’ Liability Insurance. Each Party shall maintain (i) workers’ compensation insurance, according to applicable law and (ii) employers’ liability insurance, in the minimum amount of [**] U.S. dollars ($[**]). Each Party agrees to waive its right of subrogation with respect to workers’ compensation claim.

(d) Additional Coverages. In addition, subject to the right to self-insure pursuant to Section 13.3, each Party shall obtain and maintain comprehensive insurance, including, as applicable, general liability, clinical trial liability, product liability and workers compensation insurance, customary in the industry for companies of similar size conducting similar business.

Article 14
Dispute Resolution

14.1 Internal Resolution. Except as otherwise expressly provided in this Agreement, any Disputes shall be first referred to an Executive of each Party for resolution, prior to proceeding under the other provisions of this Article 14. A Dispute shall be referred to such Executives upon one Party providing the other Party with written notice that such Dispute exists, and such Executives shall attempt to resolve such Dispute through good faith discussions. In the event that such Dispute is not resolved within [**] of such other Party’s receipt of such notice, then subject to Section 14.3, either Party may initiate by written notice to the other the Dispute resolution provisions in Section 14.2. The Parties agree that any discussions between such Executives regarding such Dispute will not constitute settlement discussions, unless the Parties agree otherwise in writing.
14.2 Arbitration.

(a) Rules. Except as otherwise expressly provided in this Agreement (including under Section 14.3), the Parties agree that any Dispute not resolved internally by the Parties pursuant to Section 14.1 shall be resolved through binding arbitration conducted by the American Arbitration Association in accordance with the then-prevailing Commercial Arbitration Rules of the American Arbitration Association (for purposes of Article 14, the “Rules”), except as modified in this Agreement, applying the substantive law specified in Section 15.2. The demand for arbitration and counterclaim shall each include a statement setting forth the issues in dispute that are being presented for resolution through binding arbitration. In no event shall a demand for arbitration be made after the date when institution of a legal or equitable proceeding based upon such Dispute would be barred by the applicable statute of limitations as determined from the date such Dispute was referred to the arbitrators in accordance with this Section 14.2.

(b) Arbitrators; Location. Each Party shall select one (1) independent arbitrator, and the two (2) arbitrators so selected shall choose a third independent arbitrator. All three (3) arbitrators shall serve as neutrals and have at least ten (10) years of (i) dispute resolution experience (including judicial experience) or (ii) legal or business experience in the biotech or pharmaceutical industry. In any event, at least one (1) arbitrator shall satisfy the foregoing experience requirement under clause (ii). If a Party fails to nominate its arbitrator within [**] after commencement of procedures under this Section 14.2, or if the Parties’ arbitrators cannot agree on the third arbitrator within [**], the necessary appointments shall be made in accordance with the Rules. Once appointed, neither Party shall have any ex parte communication with any arbitrator. The arbitration proceedings shall be conducted in San Francisco, California if Constellation initiates the arbitration or in Boston, Massachusetts if Licensee initiates the arbitration. The Parties shall take all reasonable actions to complete the selection of the arbitrators and commence the proceeding under this Section 14.2 as promptly as possible but in no event later than [**] after the initiation of any Dispute under this Section 14.2.

(c) Procedures; Awards. Each Party agrees to use reasonable efforts to make all of its current employees available, if reasonably needed, and agrees that the arbitrators may deem any party as “necessary.” Following the request by either Party, the arbitrators shall make a determination regarding reasonable production by the Parties of documents relevant to
the Dispute. The arbitrators shall be instructed and required to render a written, binding, non-appealable resolution and award on each issue that clearly states the basis upon which such resolution and award is made. The written resolution and award shall be delivered to the Parties as expeditiously as possible, but in no event more than [**] after conclusion of the hearing, unless otherwise agreed by the Parties. Judgment upon such award may be entered in any competent court or application may be made to any competent court for judicial acceptance of such an award and order for enforcement. Each Party agrees that, notwithstanding any provision of applicable law or of this Agreement, it will not request, and the arbitrators shall have no authority to award, punitive or exemplary damages against any Party, unless otherwise permitted pursuant to Section 13.2.

(d) Costs. The “prevailing” Party, as determined by the arbitrators, shall be entitled to (i) its share of fees and expenses of the arbitrators and (ii) its attorneys’ fees and associated costs and expenses. In determining which Party “prevailed,” the arbitrators shall consider (i) the significance, including the financial impact, of the claims prevailed upon and (ii) the scope of claims prevailed upon, in comparison to the total scope of the claims at issue. If the arbitrators determine that, given the scope of the arbitration, neither Party “prevailed,” the arbitrators shall order that the Parties (i) share equally the fees and expenses of the arbitrators and (ii) bear their own attorneys’ fees and associated costs and expenses.

(e) Interim Equitable Relief. Notwithstanding anything to the contrary in this Section 14.2, in the event that a Party reasonably requires relief on a more expedited basis than would be possible pursuant to the procedure set forth in this Article 14, such Party may seek a temporary injunction or other interim equitable relief in a court of competent jurisdiction pending the opportunity of the arbitrators to review the decision under this Section 14.2. Such court shall have no jurisdiction or ability to resolve Disputes beyond the specific issue of temporary injunction or other interim equitable relief.

(f) Protective Orders; Arbitrability. At the request of either Party, the arbitrators shall enter an appropriate protective order to maintain the confidentiality of information produced or exchanged in the course of the arbitration proceedings. The arbitrators shall have the power to decide all questions of arbitrability.

(g) Authority. In any arbitration under this Section 14.2, the arbitrators shall have the authority to grant specific performance (in accordance with the substantive law of Delaware) and, subject to Section 14.2(d), to allocate between the Parties the costs of arbitration in such equitable manner as they determine; provided, however, that the arbitrators shall not have the right to amend or otherwise modify the terms of this Agreement.

(h) Arbitral Award. Judgment upon the award so rendered may be entered in any court having jurisdiction or application may be made to such court for judicial acceptance of any award and an order of enforcement, as the case may be.
14.3 Subject Matter Exclusions. Notwithstanding the provisions of Section 14.2, any Dispute not resolved internally by the Parties pursuant to Section 14.1 that involves the validity, infringement or enforceability of a Patent included in a license granted in this Agreement (a) that is issued in the United States shall be subject to actions before the United States Patent and Trademark Office and/or submitted exclusively to the federal court located in the jurisdiction of the district where any of the defendants reside; and (b) that is issued in any other country (or region) shall be brought before an appropriate regulatory or administrative body or court in that country (or region), and the Parties hereby consent to the jurisdiction and venue of such courts and bodies.

14.4 Continued Performance. Provided that this Agreement has not terminated, the Parties agree to continue performing under this Agreement in accordance with its provisions, pending the final resolution of any Dispute.

Article 15
Miscellaneous

15.1 Notices. Except as otherwise expressly provided in this Agreement, any notice required under this Agreement shall be in writing, shall specifically refer to this Agreement and shall be sent in accordance with the provisions of this Section 15.1. Notices shall be sent via one of the following means and will be effective (a) on the date of delivery, if delivered in person; (b) on the date of receipt, if sent by a facsimile (with delivery confirmed); or (c) on the date of receipt, if sent by private express courier or by first class certified mail, return receipt requested (or its equivalent). Any notice sent via facsimile shall be followed by a copy of such notice by private express courier or by first class mail. Notices shall be sent to the other Party at the addresses set forth below. Either Party may change its addresses for purposes of this Section 15.1 by sending written notice to the other Party in accordance with this Section 15.1.

If to Constellation:
Constellation Pharmaceuticals, Inc.
215 First Street
Cambridge, MA 02142
Attn: Chief Executive Officer
Facsimile: [**]

with a required copy to:
Wilmer Cutler Pickering Hale and Dorr LLP
399 Park Avenue
New York, New York 10022
Attention: Steven D. Singer
Facsimile: (212) 230-8888

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If to Licensee:

Genentech, Inc.
1 DNA Way,
South San Francisco, CA 94080
Attn: Corporate Secretary
Facsimile: [**]

with a required copy to:

Genentech, Inc.
1 DNA Way,
South San Francisco, CA 94080
Attn: VP, Genentech Partnering
Facsimile: [**]

and

Genentech, Inc.
1 DNA Way,
South San Francisco, CA 94080
Attn: Head of Alliance Management
Facsimile: [**]

15.2 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware without regard to conflict of laws principles. The Parties hereby exclude from this Agreement the application of the United Nations Convention on Contracts for the International Sale of Goods.

15.3 Assignment. For the purposes of this Section 15.3, an "M&A Event" means that a Third Party acquires, by merger, sale of assets or otherwise, (i) all or substantially all of the equity of a Party, (ii) all or substantially all of the assets or business of a Party to which the subject matter of this Agreement relates or (iii) after the Research Term, all or substantially all of the assets or business of a Party with respect to a Draft Pick Target exclusively licensed to such Party (any such Third Party with respect to clauses (i) through (iii), an "Acquirer"). On written notice to Constellation, Licensee may assign this Agreement, in its entirety, or, after the end of the Research Term, on a Draft Pick Target-by-Draft Pick Target basis, to the relevant Acquirer in connection with an M&A Event or to an Affiliate. Following the later of (a) the expiration or termination of the Research Term or (b) the Option Termination Date (as defined
under the Option Agreement) or termination of the Option Agreement (unless, in each case, the Option (as defined therein) has been exercised thereunder in
which case Constellation may not assign this Agreement unless and until the Merger Agreement is terminated pursuant to Section 13.1 thereof), Constellation
may assign this Agreement, in its entirety or on a Draft Pick Target-by-Draft Pick Target basis, on written notice to Licensee, (y) to an Affiliate; or (z) to the
relevant Acquirer in connection with an M&A Event. Notwithstanding any provisions of this Agreement to the contrary, if this Agreement is assigned by a
Party in connection with an M&A Event, such assignment and/or the occurrence of such M&A Event (whether or not a formal assignment of this Agreement
occurs) shall not provide the other Party with rights or access to any intellectual property or technology of the relevant Acquirer. Except as expressly provided
in this Section 15.3, neither Party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the
other Party, such consent not to be unreasonably withheld. Subject to the foregoing, this Agreement will inure to the benefit of and bind the Parties’
successors and assigns. Any assignment in contravention of the foregoing shall be null and void.

15.4 Force Majeure. Neither Party shall be deemed to have breached this Agreement for failure to perform its obligations under this Agreement
to the extent such failure results from causes beyond the reasonable control of the affected Party, such causes including acts of God, earthquakes, fires, floods,
embargoes, wars, acts of terrorism, insurrections, riots, civil commotions, omissions or delays in action by any governmental authority, acts of a government
or agency thereof and judicial orders or decrees. If a force majeure event occurs, the Party unable to perform shall promptly notify the other Party of the
occurrence of such event, and the Parties shall meet (in person or telephonically) promptly thereafter to discuss the circumstances relating thereto. The Party
unable to perform shall (a) provide reasonable status updates to the other Party from time to time; (b) use commercially reasonable efforts to mitigate any
adverse consequences arising out of its failure to perform; and (c) resume performance as promptly as possible.

15.5 Relationship of the Parties. The Parties are independent contractors, and nothing contained in this Agreement shall be deemed or
construed to create a partnership, joint venture, employment, franchise, agency or fiduciary relationship between the Parties. Genentech and Roche shall be
jointly and severally liable to Constellation for any obligations owed hereunder by Genentech, Roche or Licensee. Genentech and Roche shall coordinate their
exercise of Licensee’s rights and performance of Licensee’s obligations to ensure that Constellation does not receive duplicate or inconsistent notices or
instruction with respect thereto and to ensure that Constellation is not adversely affected because Genentech and Roche each have rights hereunder.

15.6 Amendment; Waiver. Except as otherwise expressly provided in this Agreement, no amendment to this Agreement shall be effective unless
made in writing and executed by an authorized representative of each Party. A Party’s failure to exercise, or delay in exercising, any right, power, privilege or
remedy under this Agreement shall not (a) operate as a waiver thereof or (b) operate as a waiver of any other right, power, privilege or remedy. A waiver will
be effective only upon the written consent of the Party granting such waiver.
15.7 Construction; Captions. Each Party acknowledges that it participated in the negotiation and preparation of this Agreement and that it had the opportunity to consult with an attorney of its choice in connection therewith. Ambiguities, if any, in this Agreement shall not be construed against either Party, irrespective of which Party may be deemed to have drafted this Agreement or authorized the ambiguous provision. Capitalized terms defined in the singular shall include the plural and vice versa. The terms “includes” and “including” mean “includes, without limitation,” and “including, without limitation,” respectively. Titles, headings and other captions are for convenience only and shall not affect the meaning or interpretation of this Agreement.

15.8 Severability. If any of the provisions of this Agreement are held to be illegal, invalid or unenforceable, such illegal, invalid or unenforceable provisions shall be replaced by legal, valid and enforceable provisions that will achieve to the maximum extent possible the intent of the Parties, and the other provisions of this Agreement shall remain in full force and effect.

15.9 Entire Agreement. This Agreement, the Option Agreement and the Merger Agreement contain the entire understanding between the Parties with respect to the subject matter hereof and supersede and terminate all prior agreements, understandings and arrangements between the Parties with respect to such subject matter, whether written or oral, including the Prior CDA, except the Confidential Disclosure Agreement by and among Constellation, John McCall, and Genentech, dated September 14, 2011, and the Confidential Disclosure Agreement by and among Constellation, Viksnins Harris & Padys PLLP, and Genentech, dated September 30, 2011, which shall survive in accordance with their terms.

15.10 Counterparts; Facsimiles. This Agreement may be executed in two (2) or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. A facsimile copy, or pdf file contained in an email, of this Agreement, including the signature pages hereto, will be deemed to be an original.

[Signature page follows]
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives as set forth below.

GENENTECH, INC.

Signed: /s/ Steve Krognes
Name: Steve Krognes
Title: Senior Vice President and Chief Financial Officer

Signed: /s/ Mark A. Goldsmith
Name: Mark A. Goldsmith
Title: President, CEO

F. Hoffmann-La Roche Ltd

Signed: /s/ Stefan Arnold
Name: Stefan Arnold
Title: Head Legal Pharma

Signed: /s/ Andrew Jefferson
Name: Andrew Jefferson
Title: Head of Asset Management & Operations

Signature Page – License and Collaboration Agreement
EXHIBIT A: CONSTELLATION PLATFORM

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. A total of 3 pages were omitted. [**]

Exhibit A-1
EXHIBIT B: RESEARCH PLAN

[attached]

Exhibit B-1
Research Plan

Epigenetics Research Collaboration

Constellation Pharmaceuticals, Inc.

Genentech, Inc.

Exhibit B-2
TABLE OF CONTENTS

Section A: General Research Collaboration Overview

Section B: Research Collaboration Activities and Resourcing for Year 1

Section C: Reagents, Technology and Information to be Transferred from Constellation to Genentech in Year 1

All capitalized terms which are used, but not defined, in this Research Plan shall have the meaning ascribed to them in the body of the Agreement.

Exhibit B-3
Section A: General Research Collaboration Overview

Collaboration Objectives

[**] over the Initial Research Term of 3 years.

Collaboration Governance and Definitions

Constellation and Genentech will each have representation on one or more Joint Project Teams (JPT) which will report into the Joint Research Committee (JRC). The roles and responsibilities of the JPT(s) and the JRC are defined in the body of the Agreement.

The Research Collaboration will consist of [**]

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. A total of 13 pages were omitted. [**]

Exhibit B-4
Section B: Constellation FTE Resourcing and Constellation Outsourcing by end of Year 1

Constellation FTE Resource Estimates

[**]

Exhibit B-5
### Constellation's Anticipated Outsourcing for Year 1

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Exhibit B-6
Section C: Reagents, Technology and Information to be Transferred from Constellation to Genentech in Year 1

All technologies, information, and materials below will be transferred to Genentech in a timeframe consistent with the timing of research activities, but in all cases, no later than the end of the first year of the Research Term ("Year 1").

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. A total of 2 pages were omitted. [**]

Exhibit B-7
EXHIBIT C: DRAFT POOL GUIDELINES

Guiding Principles for Nomination of Targets to the Draft Pool

As a general principle, Targets nominated to the Draft Pool should be those considered highly attractive for further research and development, and this assessment would be based on data available at the time of the Draft Pool creation. Attributes to be taken into consideration would include [**].

Specific criteria that suggest a Target for nomination could include but not be limited to:

[**]

Exhibit C-1
Compound Criteria Guidelines

[**]

Exhibit D-1
CAMBRIDGE, Mass. – INSERT DATE – Constellation Pharmaceuticals, Inc., today announced that it has entered into a major strategic agreement with Genentech, a member of the Roche Group (SIX: RO, ROG; OTCQX: RHHBY), to launch a broad collaboration based on the science of epigenetics and chromatin biology to discover and develop innovative treatments for cancer and other serious diseases.

Under the terms of the arrangement, Constellation will receive committed funding of $95 million, comprising an upfront payment and research funding for a three-year collaboration period. Constellation will be eligible for substantial development and commercialization milestone payments as well as up to double-digit royalties on commercial sales of multiple products by Genentech. Additionally, Constellation will retain exclusive development and commercialization rights to selected programs emerging from the collaboration, for which payments would be due to Genentech upon the successful commercialization of such products.

The parties will establish a research collaboration addressing multiple epigenetic target classes. Constellation will retain independent strategic direction, operational management and exclusive rights to programs outside of the collaboration scope, including its two most advanced programs that are focused on the development of inhibitors of the BET chromatin reader and EZH2 chromatin writer proteins. Genentech has a future option to acquire all outstanding shares of Constellation based on pre-negotiated terms, which include a significant initial acquisition payment plus contingent value rights payments based on the future successful development and commercialization of multiple products by Genentech. Genentech’s option to acquire Constellation includes the BET and EZH2 programs as well as other programs outside the collaboration scope.

“Genentech is a global leader in the research and development of innovative medicines, and in combination with our class-leading product engine and deep expertise in chromatin biology will create a powerhouse dedicated to bringing the greatest benefit to patients from drugs that modulate epigenetic pathways,” said Mark A. Goldsmith, M.D., Ph.D., president and chief executive officer of Constellation Pharmaceuticals. “This is a groundbreaking partnership in terms of the structure, breadth and potential future clinical impact of products created through our complementary capabilities. The committed revenue and post-collaboration economics should provide a highly attractive return for our investors.”

Exhibit E-1
James Sabry, M.D., Ph.D., vice president of Genentech Partnering, added, “We believe Constellation is a leading company in chromatin biology and epigenetics drug discovery and an excellent partner for Genentech in this area. With scientists committed to the collaboration at both Constellation and Genentech working together in a highly integrated way, our goal is to discover and ultimately bring to market promising new therapies for patients with unmet medical needs in oncology, and potentially other therapeutic areas.”

**What is Epigenetics?**

Drug development in the field of epigenetics is directed towards the identification of small molecules that inhibit the activities of proteins (epigenetic regulators) that add, remove or recognize various chemical modifications (or marks) to specific sites on DNA or chromosomal proteins. These marks play a key role in determining whether a gene is on or off. Epigenetic regulators are often referred to as writers (add modifications), erasers (remove modifications) and readers (bind to chromatin). Research at Constellation and by others has shown that abnormal epigenetic regulation contributes to many different diseases.

In research into chromatin readers that appeared recently in the *Proceedings of the National Academy of Sciences* Constellation scientists demonstrated that transcription of the MYC oncogene can be suppressed using small molecule inhibitors of the BET family of chromatin adapters. MYC is a master regulator of diverse cellular functions and has long been considered a compelling therapeutic target because of its role in many human malignancies including hematologic and solid tumors. Also, continued research by Constellation on chromatin modifying enzymes has resulted in significant progress towards developing small molecule inhibitors of the histone lysine methyltransferase EZH2. This enzyme functions as part of a chromatin-associated protein complex implicated in the repression of gene expression. Recent cancer genomic sequencing studies have identified recurrent mutations in the EZH2 encoding genomic locus in a subset of human cancers. In addition numerous epidemiological data sets linking increased EZH2 expression to late stage disease with poor prognosis suggest a prominent role for EZH2 in human malignancies.

**About Constellation Pharmaceuticals**

Constellation Pharmaceuticals leverages insights from the rapidly expanding field of epigenetics to discover and develop small molecule therapeutics for the treatment of cancer, inflammatory/immunologic disorders and other diseases. The company’s innovative product discovery engine targets both the enzymes that modify the dynamic structure of chromatin (writers and erasers) and other proteins that interact with chromatin (readers) to control gene expression. Restoration of normal gene expression through chromatin modulation by highly selective and specific inhibitors promises to be a powerful avenue for the development of important new medicines against a broad range of diseases. For more information, please visit the company’s website at www.constellationpharma.com.

# # #

Exhibit E-2
EXHIBIT F: EXTERNAL COSTS INCLUDED IN FTE RATE

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Exhibit F-1
RESEARCH, DEVELOPMENT AND COMMERCIALIZATION AGREEMENT

by and between

Constellation Pharmaceuticals, Inc.

and

The Leukemia & Lymphoma Society
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Exhibit A – Budget
Exhibit B – Calculation of Allocable Portion
Exhibit C – Milestones and Payments
Exhibit D – Research Plan
Exhibit E – Report and RAC Meeting Schedules
Exhibit F – Form of Warrant
RESEARCH, DEVELOPMENT AND COMMERCIALIZATION AGREEMENT

This Agreement (the "Agreement") is made as of the 31st day of July, 2012 (the "Effective Date"), by and between The Leukemia and Lymphoma Society, a New York nonprofit corporation with its principal place of business at 1311 Mamaroneck Avenue, White Plains, New York 10605 ("LLS") and Constellation Pharmaceuticals, Inc., a Delaware corporation with its principal place of business at 215 First Street, Suite 200, Cambridge, MA 02142 ("Company"). LLS and Company are sometimes hereinafter referred to individually as the "Party" and together as the "Parties".

WHEREAS, LLS is a national voluntary health agency which, among other activities, encourages and sponsors research relating to leukemia, lymphoma, Hodgkin’s disease and myeloma (the "Disease") to develop therapies to cure or mitigate the Disease, and engages in other charitable and educational activities to increase understanding and public awareness of the Disease. To further this mission, LLS provides research funding to entities that can demonstrate after LLS’s review process that their proposed research projects have scientific promise to advance LLS’s effort to find treatments and cures for the Disease and its complications.

WHEREAS, Company is in the business of developing pharmaceutical products and has submitted the project proposal and funding request to LLS, dated April 13, 2012, entitled “Development of [**], an inhibitor of BET protein bromodomains, for the treatment of patients with hematologic malignancies” (the "Company Proposal") and the Company Proposal has been conditionally approved by LLS through its Therapy Acceleration Program Committee.

NOW, THEREFORE, in consideration of the mutual premises herein contained and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by the Parties, the Parties agree as follows.
1. **Certain Definitions.**

1.1 “Affiliate” shall mean, with respect to any Person, any other Person who controls, or is controlled by, or is under direct or indirect common control with, such Person. The term “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise; *provided, however*, that any portfolio operating company of any stockholder of such Person (which stockholder is a venture capital fund or private equity fund) shall not be deemed to be “under common control with” such Person. Control will be presumed if one Person owns, either of record or beneficially, directly or indirectly, more than fifty percent (50%) of the voting stock of any other Person.

1.2 “Allocable Portion” means the portion of a Transfer Payment considered to be allocable to the Compound, as determined pursuant to Exhibit B as of the effective date of the corresponding Rights Transfer Transaction.

1.3 “Budget” shall mean the total budget for the costs and expenses of the Research Program agreed to by the Parties and included in this Agreement as Exhibit A, which budget (a) may be amended from time to time solely upon the mutual written agreement of the Parties, and (b) shall detail the projected allocation and use of: (i) the funds to be paid by LLS to Company with respect of the Funding; and (ii) the Matched Funds.

1.4 “Business Day” shall mean a day, other than a Saturday, Sunday or day on which commercial banks located in Boston, Massachusetts or New York, New York are authorized or required by law to close.

1.5 “Change of Control Transaction” shall mean the closing of a transaction approved by Company’s Board of Directors pursuant to which any Third Party that was not a shareholder of Company prior to the applicable transaction acquires (whether by merger, consolidation or transfer or issuance of capital stock or otherwise) the voting power to elect a majority of the board of directors or other governing body of Company, or acquires assets constituting all or substantially all of the assets of Company, but excluding any sale by Company of its capital stock to a venture capital firm or similar investment fund or institution pursuant to a *bona fide* equity financing transaction for the purpose of raising capital, in which no portion of the proceeds is distributed in connection with the transaction to any Person who was a shareholder of the Company prior to the transaction.
1.6 “Claims” shall have the meaning set forth in Section 13.1.

1.7 “Commercially Reasonable Efforts” shall mean the level of effort, expertise and resources to research, develop and commercialize a Product, where such research, development and commercialization is technically feasible, devoting the same degree of attention and diligence to such efforts that is substantially and materially consistent with industry standards for biotechnology companies of a similar size and at a similar stage as Company in the research and development of products at a similar stage in development and of similar potential as a Product, and taking into account other relevant factors, including technical, medical, clinical, efficacy, safety, manufacturing and third party intellectual property considerations.

1.8 “Company Repayment Election” shall have the meaning set forth in Section 12.6(c).

1.9 “Compound” shall mean Company’s proprietary compound identified as [**], including any metabolites, free forms, salts, solvates, hydrates, anhydrous forms, optical isomers and polymorphs thereof.

1.10 “Confidential Information” shall mean the financial terms of this Agreement (other than the amount of the Funding) and any scientific, technical, trade, business or financial information that may be given to the other Party by the disclosing Party and that is treated by the disclosing Party as confidential or proprietary, including, without limitation, Proprietary Material, Research Program Results, research materials and developments, formulations, techniques, methodology, assay systems, formulae, procedures, tests, equipment, data, reports, know-how, sources of supply, patent positioning, relationships with consultants and employees, business plans and business developments, information concerning the existence, scope or activities of any research, development, manufacturing, marketing or other projects of the disclosing Party, and any other confidential or proprietary information about or belonging to the disclosing Party’s suppliers, licensors, licensees, partners, Affiliates, customers, potential customers or others, which the disclosing Party provides to the receiving Party. Confidential Information shall also include all “Confidential Information” disclosed under the Confidentiality Agreement (as defined therein). All such information of a confidential or proprietary nature
supplied by a Party in written, electronic, oral or visual form pursuant to this Agreement or the Confidentiality Agreement shall be considered as being Confidential Information of the disclosing Party, whether or not marked as such. The following information shall not be treated as Confidential Information of such Party: information (a) that is in the public domain or is generally known by others in the Field at the time of disclosure; (b) that is in the possession of the receiving Party free of any obligation of confidentiality prior to the time of disclosure as evidenced by written records; (c) that subsequently becomes part of the public domain or becomes publicly known through no fault of the receiving Party; (d) that subsequently is received by the receiving Party without any obligation of confidentiality from a Third Party who is free to disclose the information; or (e) that is independently developed by the receiving Party without the use of any of the disclosing Party’s Confidential Information as evidenced by written records. Notwithstanding anything in this Agreement to the contrary, Research Program Inventions, Research Program Results and Deliverable Reports prior to their public disclosure shall be treated as Confidential Information solely of Company with Company as the disclosing Party and LLS as the receiving Party, subject to the foregoing clauses (a)-(e).

1.11 “Confidentiality Agreement” shall mean the Mutual Nondisclosure Agreement by and between the Parties, dated as of December 7, 2011.

1.12 “Control” shall (except for purposes of Section 1.1) mean the legal authority or right to grant a license or sublicense of Intellectual Property Rights, or to otherwise disclose proprietary or trade secret information.

1.13 “Deliverable Reports” shall mean such reports as listed on Exhibit E.

1.14 “Dollars” shall mean United States dollars.

1.15 “Field” shall mean the treatment of (a) lymphoma, (b) myelodysplastic syndrome (MDS) and/or acute myelogenous leukemia (AML), and/or (c) multiple myeloma.

1.16 “First Commercial Sale” shall mean the first sale by Company, its Affiliates, licensees, sublicensees or transferee in an arm’s-length transaction for end use of the Product in the Field after receipt of the requisite Regulatory Approval. Sales for test marketing, sampling and promotional uses, clinical trial purposes or compassionate, named patient or similar use shall not be considered to constitute a First Commercial Sale.
1.17 “Funding” shall mean an amount up to, but not to exceed, Seven Million Five Hundred Thousand Dollars ($7,500,000), which is provided by LLS to Company for the Research Program in accordance with the terms, and subject to the conditions, set forth in this Agreement, less any amount returned by Company to LLS pursuant to Section 2.3, 2.9 or 12.6.

1.18 “GAAP” shall mean U.S. generally accepted accounting principles or international financial reporting standards, consistently applied.

1.19 “Genentech Option” shall mean Genentech Inc.’s option to acquire Company pursuant to the terms of the Option Agreement, dated as of January 9, 2012, between Genentech, Inc. and Company, as may be amended from time to time.

1.20 “Indemnitee” shall have the meaning set forth in Section 13.1.

1.21 “Intellectual Property Rights” shall mean any and all rights in and to discoveries, concepts, ideas, Proprietary Material, developments, specifications, methods, drawings, designs, flow charts, diagrams, models, formulae, procedures, processes, schematics, specifications, algorithms, apparatus, inventions, ideas, know-how, materials, techniques, methodologies, modifications, improvements, works of authorship and data (whether or not protectable under patent, copyright, trade secrecy or similar laws), including Patents, utility models, and registered and unregistered designs, including mask works, copyrights, trade secrets, design history, manufacturing documentation, and any other form of protection afforded by law to inventions, models, designs, works of authorship, databases or technical information and applications and registrations with respect thereto.

1.22 “Interruption” shall occur if, at any time following the Release Date and prior to First Commercial Sale of the first Product, Company, its Affiliates, licensees, sublicensees, transferees and/or successors (taken as a whole), have ceased Commercially Reasonable Efforts with respect to the research, development and commercialization of all Products in the Field for a period of [**] (such [**] period, the “Interruption Trigger Period”), and all of the following conditions also apply: (a) (i) there is no good faith, reasonable plan to re-commence such Commercially Reasonable Efforts within [**], as evidenced by a written communication to LLS following such Interruption Trigger Period, explaining how and when such Commercially Reasonable Efforts will recommence and Commercially Reasonable Efforts do not recommence within the [**] period after LLS’s receipt of such written communication, and (ii) a licensee for
the rights with respect to at least one Product is not actively being sought at the end of such Interruption Trigger Period and at least one such license for a Compound has not been consummated within [**] after the Interruption Trigger Point (such [**] period, the “License Negotiation Period”); provided, however, that if, at the end of the License Negotiation Period, a licensee for the rights with respect to at least one Compound is actively being sought and negotiations with one or more potential licensees are ongoing, then the License Negotiation Period shall be extended for an additional [**] period, and if at the end of such extended License Negotiation Period, negotiations with a potential licensee are ongoing with a Person with whom negotiations were ongoing at the time of the preceding extension, the License Negotiation Period will be further extended for an additional [**] period at Constellation’s request and subject to LLS’s consent, which consent shall not be unreasonably withheld, conditioned or delayed; and (b) there has not been a Technical Failure.

1.23 “Interruption Election Notice” shall have the meaning set forth in Section 12.6(b).

1.24 “Interruption License” shall mean an exclusive license, except as hereinafter provided in this Section 1.24, under the Research Program Inventions and Research Program Results, and all other Intellectual Property Rights Controlled by Company that are necessary for the development or exploitation of any Product, solely to develop, manufacture, have manufactured, use, have used, sell, offer to sell and import Products in the Field in the Territory, with the right to grant sublicenses. The Interruption License is granted as of the Effective Date, shall be exercisable only pursuant to Section 12.7(d) in the event of an Interruption and provided that, neither Party has exercised the Repayment Election under Section 12.6, and the Interruption License shall be subject in all respects to any rights granted by Company to the Multiple Myeloma Research Foundation, Inc. or to Genentech, Inc. or its Affiliates as of the date the Interruption License becomes exercisable. Notwithstanding the foregoing, if the Genentech Option is exercised, the Interruption License shall be deemed to have terminated immediately prior to the exercise date.

1.25 “Interruption Notice” shall have the meaning set forth in Section 12.6(a).

1.26 “LLS Background Intellectual Property” shall have the meaning set forth in Section 8.5.
1.27 “LLS Repayment Election” shall have the meaning set forth in Section 12.6(b).

1.28 “Major European Country” shall mean the United Kingdom, France, Germany, Spain or Italy.

1.29 “Major Market” shall mean each of the United States, a Major European Country or Japan.

1.30 “Matched Funds” shall have the meaning set forth in Section 2.1.

1.31 “Milestones” means the technical, business or regulatory milestone set forth in Exhibit C.

1.32 “Patents” shall mean patents and patent applications and improvements thereto, including all foreign counterparts, all substitutions, extensions, reissues, renewals, divisionals, continuations and continuations in part relating to such patents and their foreign counterparts.

1.33 “Payment Cap” shall mean an amount equal to the lesser of Twenty Five Million Dollars ($25,000,000) and [**] times the Funding.

1.34 “Person” shall mean any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization or government or political subdivision thereof.

1.35 “Prime Rate” shall mean the average prime rate published in The Wall Street Journal during the relevant period (calculated by dividing (a) the sum of the prime rates for each of the days during the relevant period, by (b) the number of days in the relevant period).

1.36 “Product” shall mean any form or dosage of pharmaceutical composition or preparation in finished form labeled and packaged for sale that contains the Compound as an active ingredient or a derivative or analog thereof.

1.37 “Proprietary Material” shall mean any and all (a) molecules and/or reagents owned by, licensed to or otherwise proprietary to Company, and (b) derivatives, modifications, improvements, fragments, metabolites, analogs or homologs thereof, which could not have been discovered or made but for the use of a molecule and/or reagent owned by, licensed to or otherwise proprietary to Company.
1.38 "Regulatory Approval" shall mean, with respect to any country, all authorizations by the appropriate governmental entity or entities necessary for commercial sale of a Product in that country, including, without limitation and where applicable, approval of labeling, price, reimbursement and manufacturing. “Regulatory Approval” in the United States shall mean final approval of a new drug application or biologic license application, as the case may be, pursuant to the then-applicable provisions of the Code of Federal Regulations permitting marketing of the Product in interstate commerce in the United States. “Regulatory Approval” in the European Union shall mean final approval of a Marketing Authorization Application, or equivalent, and where applicable, approval of labeling, price, reimbursement and manufacturing.

1.39 “Release Date” shall mean the date on which a Change of Control Transaction can no longer occur pursuant to an exercise of the Genentech Option, including, without limitation, the date on which the Genentech Option terminates without being exercised or is otherwise no longer exercisable, or the date on which such Change of Control Transaction can no longer occur following an exercise of the Genentech Option.

1.40 “Repayment Election” shall mean the LLS Repayment Election or the Company Repayment Election, as applicable.

1.41 “Research Advisory Committee” or “RAC” shall mean the group described in Section 2.

1.42 “Research Plan” shall mean the plan set forth in Exhibit D.

1.43 “Research Program” shall mean the preclinical and clinical Product development activities based on the Research Plan that are conducted by Company and funded in part by LLS.

1.44 “Research Program Invention” shall mean any and all new discoveries, concepts, ideas, Proprietary Material, developments, specifications, methods, drawings, designs, flow charts, diagrams, models, formulae, procedures, processes, schematics, specifications, algorithms, apparatus, inventions, ideas, know-how, materials, techniques, methodologies, modifications, improvements, works of authorship and data (whether or not protectable under patent, copyright, trade secrecy or similar laws and whether or not patentable or reduced to practice), know-how, materials, methods, models, procedures, processes, schematics, specifications, techniques, tools, and any other forms of technology that are conceived, created, discovered, developed, generated, made or reduced to practice or tangible medium of expression during the performance of this Agreement, whether solely by one or more employees or consultants of Company, solely by one or more employees or consultants of LLS, or jointly by one or more employees or consultants of Company and one or more employees or consultants of LLS, in each case relating to the Research Program and/or the Product, together with all related Intellectual Property Rights.
1.45 **Research Program Results** shall mean all data sets, data analyses, reports detailing all optimized conditions and procedures, test results, laboratory notes, techniques, know-how, and any other results that are obtained in the performance of the Research Program.

1.46 **Research Termination Date** shall mean the date when the last Milestone has been achieved.

1.47 **Rights Transfer Transaction** shall mean any licensing or permanent transfer of rights in the Compound or a Product to a Third Party, or any Change of Control Transaction.

1.48 **Technical Failure** shall mean the inability of the Research Program to meet the respective Milestones or for Company to continue the commercial sale of the Product because of (a) material technology/scientific, medical, clinical, efficacy or safety issues, regulatory hindrances, manufacturing difficulties, or partnership or supplier delays; or (b) intellectual property issues that are likely to materially and adversely affect Company’s or its Affiliates’ or sublicensees’ ability to commercialize or market a Product, either of which are unlikely to be resolved within [**]; provided that the applicable condition(s) in (a) or (b) are not due to the failure to exercise Commercially Reasonable Efforts. For clarification purposes, the Company reserves the right under this Agreement to determine that a Product will not be able to achieve or continue to achieve a reasonable return and discontinue Commercially Reasonable Efforts. However, a discontinuation for reasons other than those specified in (a) and (b) above would not constitute a Technical Failure, and instead, if such cessation constitutes an Interruption, the remedy set forth in Section 12.6 of this Agreement would be applicable.

1.49 **Territory** shall mean worldwide.

1.50 **Third Party** shall mean any Person which is not a Party or an Affiliate of any Party to this Agreement.

1.51 **Transfer Payments** shall mean any payment that Company actually receives, either as an upfront payment or a payment contingent on the achievement of certain research or development milestones, in connection with any Rights Transfer Transaction, other than amounts received from a partner or licensee that are committed to cover future industry standard, fully
burdened costs incurred by Company in the performance of research, development, manufacture and commercial support activities to be performed by Company under a license or transfer agreement in connection with a Product. In the event that Company or its shareholders receives in lieu of or in addition to cash with respect to any such payment shares of capital stock or other ownership interests in a Third Party company, the Transfer Payment for such payment shall include the fair market value of such capital stock or other ownership at the time of the transaction, assuming an arm’s-length transaction made in the ordinary course of business, and Company shall be entitled to pay the portion of such Transfer Payment that it may owe to LLS fully in cash or Company may, at Company’s election, pay the portion of such Transfer Payment that it may owe to LLS in cash and/or shares of capital stock or other ownership interest, where the proportion of such portion of the Transfer Payment paid to LLS in shares of capital stock or other ownership interest does not exceed the proportion such non-cash consideration represents of the total payments made to Company on which the portion of the Transfer Payments owed to LLS are calculated.

1.52 “Warrant” shall mean the warrant issued by Company to LLS on the Effective Date in the form attached hereto as Exhibit F.

2. Research Program and Funding.

2.1 The Funding Distribution and Matched Funds. LLS agrees to provide the Funding, not to exceed Seven Million Five Hundred Thousand Dollars ($7,500,000), to Company to fund the Research Program according to the Budget and the Milestones. The Milestones may be revised by agreement of the Parties in writing from time to time, provided that the total amount of the Funding shall not be increased except by an amendment to this Agreement agreed upon by the Parties. Company agrees to provide funding for the Research Program set forth in the Budget (the “Matched Funds”).

2.2 Payments. LLS shall pay the applicable portion of the Funding to Company within [**] after receipt of an invoice from Company stating that the corresponding Milestone has been achieved. All payments to be made hereunder (including, without limitation, pursuant to Section 9) shall be made in Dollars.
2.3 Use of Funding and Matched Funds. The Funding and Matched Funds shall be used exclusively for the payment of expenses included in the Budget. The Company is not required to segregate Funding or Matched Funding from other Company funds. Should actual expenses of the Research Program funded be less than the expenses included within the Budget, then any excess Funding (after taking into account all committed but not paid or accrued expenditures, reasonably agreed upon by the Parties in good faith) shall be returned to LLS no later than [**] after the Research Termination Date.

2.4 Limitations. Notwithstanding Section 2.3 above or any contrary provision contained herein, LLS shall not be required to make any payment or additional payment in respect of the Funding:

(a) in excess of Seven Million Five Hundred Thousand Dollars ($7,500,000); or

(b) if this Agreement is terminated in accordance with Section 12, except as may otherwise be provided in Section 12.

2.5 Donor Designated Funds. Where the Funding is, in part or whole, provided by a donor to LLS who requests that the donated funds be restricted for support of Company, Company agrees to participate in reasonable promotional/publicity activities that do not unreasonably interfere with the Research Program and Company’s other business activities, as reasonably requested and upon reasonable advance notice, provided, however, that Company shall have no obligation to publish or disseminate information that contains Company’s Confidential Information or proprietary know-how or trade secrets or will compromise securing patent protection of Company’s Intellectual Property Rights or Research Project Inventions. Company shall not be obligated to participate in more than [**] such promotional/publicity activities per [**]. Additional meeting requests shall be discussed and may be mutually agreed upon by the Parties.

2.6 Presentations. Company agrees to use good faith efforts to provide, as reasonably requested and upon reasonable advance notice by LLS to Company, a representative(s) reasonably acceptable to LLS for internal and external presentations or meetings regarding the Research Program, provided, however, that Company shall have no obligation to publish or disseminate information that contains Company’s Confidential Information or proprietary know-how or trade secrets or will compromise securing patent protection of Company’s Intellectual Property Rights or Research Project Inventions. Such Company representative(s) shall discuss
the presentation or meeting with the Team Leaders (as defined in Section 3.1) and designated LLS representatives at least [**] prior to the presentation. Company shall acknowledge the support of LLS in all such presentations. Notwithstanding the foregoing, Company shall not be obligated to use good faith efforts to participate in more than [**] LLS presentations or meetings regarding the Research Program per [**]. Additional presentation requests shall be discussed and mutually agreed upon by both Parties.

2.7 Site Visit(s) to Company. During the Research Program, LLS shall have the right, no more than [**], during normal business hours and upon reasonable notice of at least [**], to have a representative reasonably acceptable to Company inspect Company records in order to review and assess progress and results of the Research Program.

2.8 Reports; Notices. Company shall with respect to the Research Program (x) maintain a system of accounting in accordance with GAAP, (y) keep full and complete financial records and maintain an effective system of internal controls, and (z) furnish to LLS the following reports and/or notices, all of which, for clarity, shall be Company’s Confidential Information:

(a) Company shall provide within [**] prior to each RAC meeting a progress report of the Research Program since the prior RAC meeting.

(b) Company shall provide within [**] after the end of each calendar year ending prior to the Research Termination Date and within [**] after the calendar quarter in which the Research Termination Date occurs, financial reports which describe the use of the Funding amounts and the Matched Funds (including, without limitation, a breakdown of the actual costs of the Research Program and how such Funding amounts and Matched Funds have been allocated and in fact used in respect of the Research Program), any Milestones achieved, and a summary of the development activities conducted with respect to Products under the Research Program during the applicable period covered by such report, together with such other summary information pertaining to activities in the Research Program during such period as LLS may reasonably request in writing, prior to preparation of such report, be included in such report.

(c) Within [**] after the Research Termination Date, a final progress report which shall (i) be prepared by Company or a Company-approved Third Party, and (ii) set forth a summary of the activities conducted in the Research Program and a summary of Company’s final analysis, summary tables, data listings, results and conclusions from the Research Program.
(d) As soon as practicable during the Research Program and thereafter, notice of any license, sublicense or transfer of any Research Program Invention, or permitted assignment by Company of this Agreement or its rights and/or obligations hereunder, or of any Change of Control Transaction (other than a Change of Control Transaction pursuant to the exercise of the Genentech Option).

(e) Notice of the exercise of the Genentech Option within [**] after such exercise.

(f) As soon as practicable, notice of all material actions, suits, claims, proceedings, investigations and inquiries that directly, or indirectly and materially, involve Company.

(g) Within [**] after [**] of each calendar year following the Research Termination Date until First Commercial Sale, progress reports and status updates on Company’s activities with respect to the Product, including, without limitation, the development and/or commercialization of any Products.

2.9 Program Audits. During the Research Program, LLS shall have the right (at LLS’s expense, except as provided in this Section 2.9 below), during normal business hours, upon at least [**] written notice, and no more than [**], to have a mutually acceptable independent audit firm, that has agreed to comply with the confidentiality requirements contained in this Agreement, to inspect Company’s records, as they relate to the Research Program, to verify that Company has complied with Section 2.3. In the event that any such examination shows any material use of any portion of the Funding that is inconsistent with Section 2.3, Company shall reimburse LLS for such portion plus interest calculated at the Prime Rate plus [**] percentage points, and if such portion exceeds [**] percent ([**]%%) of the Funding during the audited period, Company shall also pay the reasonable cost of the examination. For clarity, nothing in this Section 2.9 shall require Company to return any portion of the Funding that it has not expended.

2.10 Competition. Subject to LLS’s compliance with its obligations of confidentiality under this Agreement, nothing in this Agreement shall restrict LLS from funding other research and development efforts, including without limitation efforts by any other researchers that fall within the scope of the Research Program or the Field.
3. **Research Advisory Committee; Development Committee.**

3.1 **Research Advisory Committee.** The Parties shall form a Research Advisory Committee (the “RAC”) for the Research Program which shall serve as a forum for communication and discussion of the activities under the Research Program. The RAC shall be discontinued upon the Research Termination Date or in the event the Research Program otherwise ends. The RAC shall consist of [**] members, [**] members to be appointed by each Party. Each Party may appoint or substitute any of its members serving on the RAC by written notice to the other Party. One (1) representative from each Party shall be designated as “Team Leader” and the Company Team Leader shall serve as the Chairperson of the RAC. Notwithstanding the formation of the RAC or anything in this Agreement to the contrary, Company shall have sole decision-making authority with respect to all aspects of the Research Program, provided that it shall reasonably consider LLS’s recommendations.

3.2 **Meetings.** The RAC shall hold meetings (in person or by teleconference) at such times, places and frequency as the Team Leaders may mutually agree, with the objective of meeting every [**] during the Research Program as set forth in Exhibit E. The first meeting of the RAC shall be held within [**] after the Effective Date. The quorum for RAC meetings shall be [**] members, provided that there is at least one (1) member from each Party. A [**] RAC member shall keep minutes of the meetings that reflect in reasonable detail all material recommendations decided at such meetings. Such minutes shall not be deemed to amend or waive any provisions of this Agreement, and shall be subject to review by both Parties. Minutes shall be circulated by the Chairperson within [**] after each RAC meeting. From time to time, between scheduled meetings, LLS staff may reasonably consult with Company for updates regarding the progress of the Research Program. Either Party shall have the right upon reasonable prior notice to the other to invite non-RAC members or external parties/consultants to any RAC meeting, provided that (a) any invitation extended to any external party/consultant shall be subject to the other Party’s approval, and (b) any such attendee is under confidentiality terms no less stringent than those contained in Section 10 of this Agreement, and (c) there is mutual agreement of the Parties that there is no conflict of interest by the external parties/consultants.
3.3 **Recommendations.** The RAC shall be an advisory body, with recommendations rendered by unanimous vote, with the RAC members of Company collectively having one (1) vote and the RAC members of LLS collectively having one (1) vote. Company shall have the sole discretion as to whether and/or how to implement any recommendations of the RAC.

3.4 **Development Committee.** After the Research Termination Date, Company shall maintain a development committee appropriate to the stage of development of the Product. LLS will have the right, but not the obligation, to designate one (1) non-voting member to such committee who is reasonably acceptable to Company and to any Third Party that may also have members on such committee, and LLS’s member may attend one meeting of such committee annually.

4. **Conduct of Research Program.**

4.1 **Responsibility.** Company shall have sole responsibility and control over all aspects of the Research Program. Without limiting the foregoing, Company shall be responsible for management and conduct of the Research Program and shall in particular: (a) maintain complete and accurate records of all Research Program Results; (b) provide to the RAC (if it is then in existence) a summary of the Research Program Results annually; (c) consider, review and propose to LLS amendments or modifications to the Research Plan from time to time in such manner as may be appropriate based on any interim Research Program Results; and (d) review, substantiate and demonstrate to the reasonable satisfaction of the RAC and the senior management of LLS the accomplishment of Milestones. As between the Parties, Company shall have the sole responsibility for the health and safety of human subjects studied in the course of the Research Program, including any clinical trial conducted by Company pursuant to this Agreement.

4.2 **Standard of Conduct.** Company agrees to use the Funding solely for the payment or reimbursement of the expenses of the Research Program specified in the Budget, and shall use Commercially Reasonable Efforts in its conduct of the Research Program substantially in accordance with the Research Plan with the goal of developing a Product for commercial sale.
In the event that LLS has a reasonable, good faith basis to believe that Company is not using Commercially Reasonable Efforts to achieve the Milestones, LLS shall give written notice thereof to Company specifying the basis for such belief. LLS and Company shall negotiate in good faith to attempt to mutually address LLS’s concerns.

5. **Representations.**

5.1 **Mutual Representations.** Each Party represents and warrants to the other that (a) it has the power and authority to execute and deliver this Agreement and to perform its obligations set forth in this Agreement; (b) the execution, delivery and performance of this Agreement have been duly and validly authorized and approved; (c) this Agreement is a legal and valid obligation binding of such Party and enforceable in accordance with its terms; (d) the execution, delivery and performance of the Agreement by such Party does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it is bound, nor violate any law or regulation of any court, governmental body or administrative or other agency having jurisdiction over it; and (e) it shall perform its obligations under this Agreement in material accordance with applicable laws, rules and regulations.

Without limitation of the foregoing, the Parties warrant that they will comply with the federal anti-kickback statute (42 U.S.C. 1320a-7(b) and the related safe harbor regulations); and the Limitation on Certain Physician Referrals, also referred to as the “Stark Law” (42 U.S.C. 1395 (n)). In the event that any part of this Agreement is determined to violate federal, state, or local laws, rules, or regulations, the Parties agree to negotiate in good faith revisions to the provision or provisions that are in violation. In the event the Parties are unable to agree to new or modified terms as required to bring the entire Agreement into compliance, either Party may terminate this Agreement immediately upon written notice to the other Party. In addition, the Parties warrant that they will comply with the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

5.2 **Company Representations.** Company represents and warrants to LLS that Company, itself or acting through its subcontractors, (a) has or will have, to Company’s knowledge as of the Effective Date, the knowledge, skills and experience to perform the Research Program, and (b) shall obtain and maintain all licenses, permits, consents and other approvals and authorizations required to conduct the Research Program and shall do so in material conformity with all applicable laws and regulations.
Company also represents that it is not debarred and that it does not knowingly use in any capacity, directly or indirectly, the services of any individual or entity which is debarred by the FDA pursuant to 21 U.S.C. Section 335a(a) or (d) for any of the services or research hereunder. Company will promptly disclose in writing to LLS if Company knows that any individual or entity providing services hereunder is debarred or if any action, claim, investigation or legal or administrative proceeding is pending or threatened (a “debarment action”) relating to the debarment of Company or any individual/entity performing services under this Agreement upon notice of such debarment action. In the event such debarment or notice of debarment action, LLS shall have the right to terminate this Agreement immediately upon written notice to Company, with the consequences set forth in Section 12.7(b), subject to Section 12.8(b).

Company further represents that it is not excluded and does not knowingly use in any capacity, directly or indirectly, the services of any individual or entity which is excluded by the Office of the Inspector General (OIG) pursuant to Social Security Act Sections 1128(a), (b) and (c) and or 42 U.S.C. Section 1320a-7 for any of the services or research hereunder. Company will promptly disclose in writing to LLS if Company knows that any individual or entity providing services hereunder is excluded or if any action, claim, investigation or legal or administrative proceeding is pending and or threatened (an “exclusion action”) relating to the exclusion of Company or any individual/entity performing services under this Agreement upon notice of such exclusion action. In the event of such exclusion or notice of exclusion action, LLS shall have the right to terminate this Agreement immediately upon written notice Company, with the consequences set forth in Section 12.7(b).

5.3 DISCLAIMER. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY WARRANTY, EXPRESSED OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE RESEARCH PROGRAM, RESEARCH PROGRAM RESULTS, OR ANY PRODUCT RESULTING FROM THE RESEARCH PROGRAM. The Parties understand and agree that development and commercialization of any Product in the Field will require Regulatory Approval and that no Party is guaranteeing the safety or efficacy of any Product in the Field.

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The Parties acknowledge that no warranties are being made with respect to the Intellectual Property Rights, nor are any warranties being made with respect to the Research Program Results or Research Program Inventions. Company makes no guarantees as to the success or any outcome of the Research Program.

6. **Expanded Access/Compassionate Use Programs.**

   During the Term, if the Parties believe that there is sufficient safety and efficacy data to support expanded access and/or compassionate use of the Product, then (a) the Parties will work together in an effort to create a plan for expanded access and/or compassionate use of the Product so that the neediest patients may have the opportunity to benefit from the Product; *provided, however*, that only upon mutual agreement of the Parties will any such plan be created or implemented; and (b) expertise will be provided by LLS and/or its consultants to develop such plan that meets with Company’s approval.

7. **Publication.**

   7.1 **Publication of Results.** Company shall have the sole right to publish the Research Program Results. If LLS determines that Research Program Results have scientific significance that would be of significant interest to the broader research community, LLS shall notify Company in writing, and Company shall consider in good faith LLS’s comments, *provided that* Company shall have the final decision as to whether and when to publish or otherwise cause to be publicly disseminated within the research community such Research Program Results, together with the underlying data. Company shall use reasonable efforts to acknowledge the support of LLS in all such publications.

   7.2 **Availability of Materials.** LLS is interested in advancing the body of general scientific knowledge in the Field by making available physical materials, research tools and resources developed during or emanating from research that it funds. If Company determines that such items emanating from the Research Program can be made available, Company may make such items available to academic researchers for non-commercial research, scientific publications and seminar presentations.
7.3 **Publicity; Use of Party’s Name.** Neither Party shall use the name of the other Party, its trademarks, service marks, logos, or the name of any principal investigator, or any employee or agent, for any press release, marketing, advertising, public relations or other purposes without the prior written consent of the other Party, except that either Party may use the name of each other, disclose the existence of this Agreement, and include a general description of the nature of the Research Program in any descriptions on its website, in its research portfolio, fundraising activities and its reporting requirements. Beginning on the Effective Date and through the period ending at least [**] following the First Commercial Sale, Company shall use reasonable efforts to acknowledge LLS’s financial contribution in any press releases, announcements or publications made by Company directly related to the Research Program or the Product; provided, however, that any unintentional failure by Company to include such acknowledgement shall not be a breach of this Agreement.

8. **Intellectual Property.**

8.1 **Ownership.**

(a) Each Party will retain ownership and control of their respective works of authorship, inventions, know-how, information, and data, and all Intellectual Property Rights therein, that were in existence as of the Effective Date or are later generated outside of the scope of the performance by each Party of its obligations under this Agreement.

(b) All Research Program Inventions shall be owned by Company. LLS hereby assigns to Company all of LLS’s right, title and interest in any and all Research Program Inventions. LLS agrees to reasonably assist Company in securing for Company any patents, copyrights or other proprietary rights in such Research Program Inventions, and agrees to take such actions and execute such documents as Company may reasonably request in connection with providing such assistance, or effecting the foregoing assignment, or otherwise to vest in Company all right, title and interest in such Research Program Inventions.

8.2 **Preparation.** Company shall take responsibility for the preparation, filing, prosecution and maintenance of any Patents claiming Research Program Inventions.

8.3 **Costs.** Company shall be responsible for all costs incurred in the preparation, prosecution and maintenance of Patents claiming Research Program Inventions.
8.4 **LLS Assistance.** LLS will assist Company in any reasonable manner in the procurement and maintenance of all Intellectual Property Rights in the Research Program Inventions, provided, however Company shall cover all related expense at its sole cost. Without limiting the foregoing, LLS will execute, and cause its employees and representatives to execute, upon Company's request, any assignments, applications and other documents that Company believes may be necessary or appropriate to protect or perfect the Intellectual Property Rights in the Research Program Inventions. LLS will ensure that its employees and consultants who participate in activities under this Agreement are obligated to assign or otherwise transfer all right, title and interest in and to all Intellectual Property Rights in the Research Program Inventions to Company or its designee and will, as requested by Company, obtain for Company the execution of all necessary applications or other documents therefore from any employee or consultant.

8.5 **License to LLS Background Intellectual Property.** LLS shall grant to Company upon Company's request a non-exclusive, royalty-free, worldwide license for the term of this Agreement, with the right to sublicense, to all Intellectual Property Rights Controlled by LLS as may be reasonably available for such license grant which Company determines to be necessary or useful for the development or exploitation of any Product ("LLS Background Intellectual Property").

8.6 **Non-Infringement.** To Company's actual knowledge as of the Effective Date, neither the development of the Compound in accordance with the Research Plan, nor the commercialization of a Product in the form Company anticipates as of the Effective Date such Product to take, will infringe any valid and enforceable Intellectual Property Right existing as of the Effective Date that is Controlled by a Third Party.

9. **Development and Commercialization of a Product.**

9.1 **Development and Commercialization of a Product.** Following the completion of the Research Program, Company shall, at its own (as compared to LLS's) expense, use Commercially Reasonable Efforts to develop and, following receipt of Regulatory Approval in the applicable Major Market, to commercialize at least one (1) Product in the Field in each of the Major Markets.
9.2 Commercialization of a Product. Company and/or its licensees, sublicensees, transferees and successors (as compared to LLS) shall have the exclusive rights to develop, commercialize, market, sell and distribute any or all Products throughout the Territory. Nothing in this Agreement (other than the Interruption License) shall be construed to grant to LLS any right or license to any of Company’s technology or Intellectual Property Rights and only licenses and rights granted expressly herein shall be of legal force and effect, and no license or other right shall be created hereunder by implication, estoppel or otherwise.

9.3 Payments to LLS. In consideration of the Funding and other rights granted to Company hereunder, Company shall make the following payments to LLS:

(a) [**];
(b) [**];
(c) [**];

provided that, (x) in no event shall the amount paid to LLS pursuant to this Section 9.3 exceed the Payment Cap; and (y) if a payment is made to LLS either pursuant to Section 9.3(b) or Section 9.3(c) and the event that would give rise to the other such payment has not occurred within [**] after the first such payment, the Company shall make the second such payment to LLS on such [**] regardless of the fact that such event has not occurred.

(d) The payments to LLS under subparagraphs (a), (b) and (c) shall be made within [**] after the event giving rise to the payment.
(e) For clarity, Company shall have no obligation to make any payment under this Section 9.3 from and after the date on which LLS has exercised the Warrant.

9.4 Late Payments. In case of any delay in payment by Company to LLS not occasioned by force majeure, interest shall be calculated at the Prime Rate plus [**] percentage points from the [**] after the date on which the applicable payment first becomes due from Company.

9.5 Payments to Company.

(a) In the event that, pursuant to Section 12.7(d)(i), the Interruption License becomes exercisable by LLS, then, in lieu of any other payments pursuant to this Agreement (other than payments under Section 9.3 previously paid by Company to LLS in accordance with this Agreement), the Parties shall share equally, subject to this Section 9.5, any amount LLS receives with respect to the Product (including amounts received in connection with sublicense

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of the Interruption License), except that, LLS’s share shall increase and Company’s share shall decrease by [**] percentage points ([**%]) for each [**] Dollars ($[**]) LLS spends in addition to the Funding with respect to the research, development and/or commercialization of the Product after Interruption License becomes exercisable, except that, in no event shall Company’s share decrease below [**] percent ([**%]). Thus, for example, if LLS’s expenditures after the Interruption License becomes exercisable are [**] Dollars ($[**]), LLS’s share will increase to [**] percent ([**%]) and Company’s share will decrease to [**] percent ([**%]).

(b) The share set forth in Section 9.5(a) shall be paid to Company within [**] after LLS receives any amount giving rise to a payment obligation to Company under Section 9.5(a), together with a report identifying in reasonable detail the basis for and calculation of such payment. Section 9.4 shall apply mutatis mutandis to payments from LLS to Company under this Section 9.5.

10. Confidentiality.

10.1 Confidentiality Obligations. For a period of [**] following the last disclosure by a Party of Confidential Information pursuant to this Agreement, the receiving Party agrees that it will maintain the confidentiality of and will not disclose to any Third Party, or use for any purpose other than as contemplated by this Agreement, any Confidential Information furnished to it by the disclosing Party, except as permitted herein. The receiving Party agrees that any dissemination of the disclosing Party’s Confidential Information to its employees shall be limited to the extent reasonably possible and that the receiving Party shall take reasonable steps to instruct all Persons to whom any such Confidential Information is disclosed of the confidential nature of such information, the proprietary right of the disclosing Party therein, and the obligation of such person to maintain the confidentiality of such information during and after employment with the receiving Party. The receiving Party shall also take appropriate action to reasonably assure that any consultants, agents or independent contractors of the receiving Party who are hired or engaged by the receiving Party shall comply with the terms of this Section 10.

10.2 Exceptions to Non-Disclosure Obligation.

(a) In the event that the receiving Party is required or requested by law or government order to disclose any of the disclosing Party’s Confidential Information, the receiving Party will, to the extent permitted by law, (i) promptly notify the disclosing Party of
any such request or requirement, and of the circumstances relating to such disclosure and the proposed scope thereof, so that the disclosing Party may seek an appropriate protective order or other appropriate protections, (ii) provide reasonable assistance at the disclosing Party’s request so the disclosing Party may seek to obtain a protective order or other reliable assurance that confidential treatment will be accorded such Confidential Information, and (iii) disclose only such Confidential Information as is minimally required to be disclosed.

(b) Notwithstanding Section 10.1 or Section 7, Company may, without LLS’s consent, (i) publish or otherwise publicly disclose the Research Program Results or any Research Program Inventions, (ii) disclose the terms of this Agreement and the nature of the relationship between the Parties to existing and potential investors and acquirors (including, without limitation, Genentech, Inc. and its Affiliates) and to existing and potential licensors, licensees and subcontractors, provided that such individuals or entities agree to maintain the confidentiality of any Confidential Information of LLS on terms no less stringent than the terms contained in this Agreement, or, in the case of disclosures to Genentech, Inc. and its Affiliates, pursuant to the applicable agreement between Genentech Inc. and Company, and (iii) disclose the terms of this Agreement to Company’s directors, officers or shareholders.

11. Dispute Resolution.

11.1 Procedures Mandatory. The Parties agree that any claim or dispute arising out of or relating to this Agreement, other than matters with respect to which this Agreement expressly gives a Party sole decision-making authority, shall be resolved solely by means of the procedures set forth in this Section 11.

11.2 Negotiation. Any Party who wishes to make a claim arising out of or relating to this Agreement must notify the other Party in writing setting forth the claim together with a reasonable description of the facts and circumstances supporting such claim. The Parties have [**] after receipt of the claim notice by the other Party to resolve the dispute informally.

11.3 Meeting of Senior Management. During the term of this Agreement, if the aforesaid [**] period terminates without resolution of the claim, either Party may request a meeting between senior management of the Parties to resolve the dispute and shall propose at least [**] different non-holiday (U.S. or Canadian) weekdays (and times) within the [**] after the request when such a meeting may take place, none to be sooner than [**] after the request is
received. If none of the times and dates proposed are acceptable to the other Party, that Party shall, not later than \[**\] after receiving the request, counter-propose in writing at least \[**\] different non-holiday weekdays (and times) within the same period, none to be sooner than \[**\] after the counter-proposal is received. The Party who made the initial request shall respond to any counter-proposed dates in writing not later than \[**\] after receiving the counter-proposal. Such a meeting may be either by telephone or in person. If a meeting is agreed upon, the Parties must participate unless it is rescheduled by agreement.

11.4 Further proceedings:

(a) The Party requesting the meeting may proceed to arbitration if the other Party has not agreed to a meeting or counter-proposed a meeting within \[**\] after receiving the claiming Party’s request, or has failed to participate in an agreed meeting.

(b) The Party receiving a request for a meeting may proceed to arbitration if the other Party has not agreed to a meeting within \[**\] after receiving a counter-proposal, or has failed to participate in an agreed meeting.

(c) Either Party may proceed to arbitration if a meeting takes place and the claim is not resolved or if a claim arises after the term of this Agreement.

11.5 Arbitration.

(a) Any Party entitled under Section 11.4 to proceed with arbitration may submit the claim or dispute to arbitration conducted by JAMS or any corporate successor of JAMS or, if unavailable, by the American Arbitration Association or any corporate successor of the American Arbitration Association, under the rules of such organization generally applicable to commercial disputes. The arbitration shall be conducted by a single, impartial arbitrator mutually acceptable to the Parties with relevant experience in transactions comparable to the transactions contemplated by this Agreement. In the event the Parties cannot agree on an arbitrator within \[**\] after submission of the claim to arbitration, the Parties shall have an arbitrator appointed by JAMS, or the American Arbitration Association, as applicable. Such arbitration shall be the exclusive means of proceeding further in the dispute resolution process.
The arbitration shall be held in the County of New York in the State of New York, unless the Parties agree otherwise. As a condition of appointment of the arbitrator, said arbitrator shall agree to use her/his best efforts to conclude the proceeding within [**]. Said arbitrator shall further have the authority to limit the volume of evidence and documents to be submitted by the Parties. The arbitrator is authorized to award such injunctive and monetary relief as he, she or they believe(s) appropriate. The arbitral award shall be in writing, state the reasons for the award, and be final and binding on the Parties. The arbitration shall otherwise be governed by the United States Arbitration Act, 9 U.S.C. Section 1 et seq. Judgment on the award rendered by the arbitrator may be enforced in any court having competent jurisdiction thereof.

11.6 **Preservation of Rights Pending Resolution.**

(a) **Performance to Continue.** Each Party shall continue to perform its obligations under this Agreement pending final resolution of any claim or dispute arising out of or relating to this Agreement unless the Agreement is rightfully terminated or rescinded.

(b) **Provisional Remedies.** Although the procedures specified in this Section 11 are the sole and exclusive procedures for the resolution of any dispute set forth in Section 11.1, either Party may seek a preliminary injunction or other preliminary relief from a court of competent jurisdiction or the arbitrator to avoid irreparable harm or to preserve its rights pending resolution of these dispute resolution procedures.

11.7 **Statute of Limitations.** All applicable statutes of limitation and time-based defenses (such as estoppels and laches) concerning a claim subject to this dispute resolution process shall be tolled upon the sending of a notice of such claim as specified in Section 11.4 above, and such toll shall continue until the time [**] after the date that the claimant becomes entitled to commence arbitration hereunder.

12. **Term; Termination; Interruption.**

12.1 **Term and Termination.** This Agreement shall become effective as of the Effective Date and, unless earlier terminated pursuant to the other provisions of this Section 12 shall terminate when there are no longer any payment obligations owing from Company to LLS pursuant to Section 9.3, or, if applicable, from LLS to Company pursuant to Section 9.5.

12.2 **Termination Following Genentech Option Exercise.** This Agreement shall automatically terminate in its entirety (including, without limitation, any and all provisions that by their terms of this Agreement would otherwise survive termination of this Agreement) without prior notice, and neither Party shall have the right to dispute such termination or have any further obligations hereunder, effective immediately prior to the close of the Change of Control Transaction pursuant to the exercise of the Genentech Option, except that the release set forth in Section 12.8(b)(ii) shall apply and survive such termination.
12.3 **Termination by Company for Technical Failure.** Company shall have the right to terminate this Agreement in the event of a Technical Failure. Company shall provide LLS thirty (30) days notice of a Technical Failure, which notice shall provide an explanation of the reason, for the Technical Failure. If LLS disagrees with such notice, such dispute shall be resolved in accordance with Section 11 of this Agreement.

12.4 **Termination by Company for LLS Breach.** Company may, without prejudice to any other remedies available to it at law or in equity, terminate this Agreement in the event LLS shall have materially breached or defaulted in the performance of any of its material covenants or obligations hereunder, and such breach or default shall have continued for [*] after written notice thereof was provided to LLS by Company.

12.5 **Termination by LLS for Company Breach.** Notwithstanding any provision contained herein or in any other document to the contrary, LLS may, without prejudice to any other remedies available to it at law or in equity (except as set forth in Section 12.8(b)), terminate this Agreement upon the occurrence of any of the following events (each a "Default") (provided, however, that, in each instance (other than pursuant to Section 12.5(d)), Company shall have [*] following Company's receipt of written notice from LLS to Company of the occurrence of a Default to cure such Default):

(a) Any material violation by Company of any applicable law in the conduct of the Research Program;

(b) Any material breach or default by Company in the performance of any of its covenants or obligations hereunder (other than any Interruption, which shall be governed by Section 12.6 and not this Section 12.5);

(c) Any representation or warranty made by Company in this Agreement that is not true in any material respects; and/or
12.6 Interruption.

(a) LLS shall notify Company in writing if it believes an Interruption has occurred (the “Interruption Notice”). If Company disputes the Interruption Notice, it shall respond in writing within [**] of receipt of the Interruption Notice providing specific evidence supporting its response. If LLS disagrees with such response, such dispute shall be resolved in accordance with Section 11 of this Agreement.

(b) If Company agrees with the Interruption Notice or fails to respond to the Interruption Notice within the specified [**], then LLS may provide Company with written notice (the “Interruption Election Notice”) electing either of the following as its exclusive remedy and Company’s sole and exclusive liability with respect to such Interruption: (i) to receive repayment of the Funding (less any amount previously paid to LLS under Section 9.3) (the “LLS Repayment Election”), in which event the Interruption License shall terminate; or (ii) to exercise the Interruption License, subject to Section 12.6(c).

(c) If LLS elects the Interruption License pursuant to Section 12.6(b)(ii), then Company shall have the right, exercisable in writing to LLS within [**] after receipt of the Interruption Election Notice, to elect to pay to LLS [**] times the Funding (less any amount previously paid to LLS under Section 9.3) (the “Company Repayment Election”), in which event the Interruption License shall not be exercisable by LLS and shall terminate.

(d) If Company does not make the Company Repayment Election pursuant to Section 12.6(c), LLS shall be entitled to exercise the Interruption License, and this Agreement shall terminate, as set forth in Section 12.7(d).

(e) If either Party exercises the Repayment Election, LLS shall retain its rights to payments from Company pursuant to Section 9.3, which shall be calculated based on the Funding paid to Company prior to the exercise of the Repayment Election.

30
12.7 Consequences of Termination.

(a) All Terminations. Upon termination of this Agreement, each Party shall return to the other Party, upon the other Party’s request, all tangible items of the other Party in its possession or under its control evidencing the Confidential Information of the other Party; provided, that neither Party shall be required to return or destroy automatically created copies of the other Party’s Confidential Information stored on system back-up media. The termination of this Agreement will not affect any rights or claims of a Party hereunder that accrued prior to the date of such termination (except pursuant to Section 12.8(b)).

(b) Termination by LLS Pursuant to Section 5.2 or 12.5. Upon termination of this Agreement by LLS pursuant to Section 5.2 or 12.5, Company shall within [**] after the date of termination pay to LLS an amount equal to [**] times the amount of the Funding. In addition, if Company continues development of a Product after such termination, Company shall pay LLS the payments specified in Section 9.3, subject to the Payment Cap.

(c) Termination by Company Pursuant to Section 12.4. Upon termination of this Agreement by Company pursuant to Section 12.4, LLS shall compensate Company for the work Company has completed up to the date of termination by paying Company the balance of any funds owed for each completed Milestone and a pro rata portion of the amount due for any partially completed Milestone prior to the receipt of notice of termination after receiving documentation from the Company documenting any partially completed work. However, such payment, together with all other payments made by Company to LLS pursuant to this Agreement, shall not exceed the maximum Funding provided for in Section 2.1 of this Agreement. [**].

(d) Termination Due to Interruption. If this Agreement terminates pursuant to Section 12.6(d) and neither Party makes the Repayment Election:

(i) LLS shall be entitled to exercise the Interruption License; and

(ii) Company shall, upon LLS’s reasonable request, provide LLS, at no charge, with access to the Research Program Inventions and Research Program Results, data, and, to the extent not integral to another product or product candidate of Company, all other materials that Company Controls necessary to practice the Interruption License; and

(iii) Section 9.5 shall survive termination.
12.8 Survival; Release.

(a) The following provisions shall survive the termination of this Agreement: 5.3, 7, 8 (other than 8.6), 9.3 (only in the event of a termination under Section 12.5), 9.4 (only in the event of a termination under Section 12.5), 10, 11, 12.7, 12.8, 13, 14.2, 14.3, 14.4, 14.5, 14.6, 14.8, 14.9 and 14.10.

(b) Notwithstanding anything to the contrary herein, including Section 12.8(a) above, if a Change of Control Transaction occurs pursuant to an exercise of the Genentech Option concurrently with or following the termination of this Agreement, then:

(i) all surviving obligations of Company under this Agreement, including without limitation those provisions set forth in Section 12.8(a) above, and any dispute, arbitration or litigation then existing between the Parties, shall be deemed to have terminated automatically effective immediately prior to the close of such Change of Control Transaction;

(ii) effective immediately prior to the close of a Change of Control Transaction pursuant to the exercise of the Genentech Option, LLS, on behalf of the Indemnitees, hereby irrevocably releases Company, its Affiliates, their respective directors, officers, representatives, employees and agents, and their respective successors, heirs and assigns from any and all liabilities that may have arisen under this Agreement prior to such Change of Control Transaction.

13. Indemnification.

13.1 Indemnification. Company agrees to indemnify, hold harmless and defend, LLS and LLS’s directors, officers, representatives, employees and agents and their respective successors, heirs and assigns (each an “Indemnitee”) from and against any and all claims, losses, expenses, demands, suits, liability or damage for personal injury, property damage or otherwise, including reasonable attorneys’ fees, incurred in connection with any Third Party suit (collectively “Claims”), to the extent arising directly or indirectly from, relating to, or resulting from (a) any research performed under this Agreement, including research undertaken by one or more investigators or subcontractors pursuant to one or more agreements between Company and its subcontractors and investigators, (b) any Product developed in whole or in part from such research, (c) any claim that Company’s conduct of the Research Program infringes or misappropriates intellectual property of any Third Party, (d) any material breach of Company’s representations, warranties, covenants or obligations under this Agreement, and (e) the conduct of Company’s business or operations outside of the Research Program.
Notwithstanding the foregoing, Company shall have no obligations pursuant to this Agreement to defend or indemnify LLS from any Claim to the extent it arises from (w) LLS’s negligence or willful misconduct, (x) any material breach by LLS of its representations, warranties, covenants or obligations under this Agreement, (y) the conduct by LLS of its business or operations outside of the Research Program, or (z) any activities conducted by LLS or its Affiliates or licensees under the Interruption License.

13.2 **Indemnification Procedures.**

(a) In the case of any Claim asserted against an Indemnitee, such Indemnitee shall (i) notify Company in writing as soon as it becomes aware of any Claim and shall permit Company (at the expense of Company) to assume defense or settlement of any Claim and (ii) cooperate fully with the legal representative chosen by Company, who shall be reasonably satisfactory to Indemnitee, provided that the failure of any Indemnitee to give notice as provided herein shall not relieve Company of its indemnification obligation hereunder except to the extent that such failure results in a lack of actual notice to Company and Company is materially prejudiced as a result of such failure to give notice.

(b) Except with the prior written consent of the Indemnitee, such consent not to be unreasonably withheld, conditioned or delayed, Company shall not consent to entry of any judgment or enter into any settlement that provides for injunctive or other non-monetary relief affecting the Indemnitee or that does not include as an unconditional term thereof the giving by each claimant or plaintiff to such Indemnitee of a release from all liability with respect to such Claim.

13.3 **Insurance.** Company shall obtain and maintain during the term of this Agreement liability, comprehensive, and workers’ compensation insurance with a reputable insurance company to protect against those insurable risks that Company may incur in connection with the performance of its obligations under this Agreement. Company will provide, upon request, evidence of any such policies of insurance.
13.4 **Limitation on Liability.** EXCEPT FOR COMPANY’S OBLIGATIONS TO INDEMNIFY A THIRD PARTY PURSUANT TO SECTION 13.1, IT IS AGREED BY THE PARTIES THAT NEITHER PARTY SHALL BE LIABLE FOR ANY SPECIAL, INDIRECT, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS, ARISING OUT OF THIS AGREEMENT OR ITS SUBJECT MATTER, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN ADDITION, THE AGGREGATE AMOUNT OF COMPANY’S ENTIRE LIABILITY HEREUNDER, INCLUDING, WITHOUT LIMITATION FOR ALL PAYMENT OBLIGATIONS UNDER SECTIONS 9, 12 AND 13.1, SHALL IN NO EVENT EXCEED THE PAYMENT CAP.

14. **Miscellaneous Provisions.**

14.1 **Relationship of Parties.** The Parties do not intend this Agreement to create a legal partnership, joint venture, or agency relationship. There are no third party beneficiaries to this Agreement. The activities and resources of each Party shall be managed by such Party, acting independently and in its individual capacity and the Parties shall have a relationship of independent contractors with respect to each other. Neither Party shall have any express or implied right or authority to assume or create any obligations on behalf or in the name of the other Party or to bind the other Party to any contract, agreement or undertaking with any third party.

14.2 **Governing Law.** This Agreement shall be governed by and construed in accordance with the law of the State of New York, without giving effect to its principles or rules of conflict of laws.

14.3 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall be deemed to be one and the same instrument. This Agreement may be executed and delivered by facsimile or electronic transmission, which shall be binding on the Party delivering a copy via facsimile or electronic transmission.

14.4 **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and assigns.
14.5 **Assignment and Subcontracting.** This Agreement may not be assigned by either Party without the prior written consent of the other Party, except that Company may assign this Agreement in whole or in part to an Affiliate or to a successor in connection with a Change of Control Transaction, Rights Transfer Transaction, or the sale of that portion of Company’s assets or business to which this Agreement relates. Any assignment or attempted assignment in violation of this provision shall be null and void unless agreed upon in writing by both Parties.

14.6 **Entire Agreement; Amendment and Waiver.** This Agreement and all Exhibits attached hereto, constitute the entire agreement and understanding of the Parties with respect to the subject matter of the Agreement and supersedes any prior and contemporaneous understandings, proposals and agreements, whether written or oral, between the Parties relating to its subject matter (including the Company Proposal and the Confidentiality Agreement). Any amendment, alteration or modification must be in writing and signed by the Parties. Any waiver of any rights or failure to act in a specific instance shall relate only to such instance and shall not be construed as an agreement to waive any rights or fail to act in any other instance, whether or not similar. The RAC shall have no right to amend alter, modify or waive any provision of this Agreement.

14.7 **Notice.** Any notice required or permitted to be given hereunder shall be deemed given: when personally delivered; upon confirmed receipt of electronic delivery by facsimile; upon receipt by delivery by recognized overnight delivery service; or five (5) days after being deposited in the mail, with postage prepaid for certified mail, return receipt requested, addressed as follows:

**CONSTELLATION PHARMACEUTICALS, INC.**

Address: 215 First Street, Suite 200, Cambridge, MA 02142

Senior Management: Keith Dionne  
Chief Executive Officer  

(f): [**]

For Legal Issues:  
Chief Business Officer  

(f): [**]

With a copy to:  
Wilmer Cutler Pickering Hale and Dorr LLP  
Attention: Steven D. Singer  

7 World Trade Center  
250 Greenwich Street  
New York, NY 10007  
(f): 212-230-8888
Severability. If any provision of this Agreement is inoperative or unenforceable for any reason in any jurisdiction, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case, circumstance or jurisdiction, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever.

Headings. The headings contained in this Agreement are for purposes of convenience only and shall not affect the meaning or interpretation of this Agreement.

Construction of this Agreement. In any construction of this Agreement, the Agreement shall not be construed against any Party based upon the identity of the drafter of the Agreement or any provision of it.

Further Assurances. Each Party agrees to execute all such further instruments and documents and take all such further actions as the other Party may reasonably require in order to effectuate the terms hereof.

Force Majeure. Neither Party will be in breach hereof by reason of its delay in the performance of or failure to perform any of its obligations hereunder, if that delay or failure is caused by strikes, acts of God or the public enemy, riots, incendiaries, interference by civil or military authorities, compliance with governmental priorities for materials, or any fault beyond its reasonable control. In such event Company or LLS, as the case may be, shall immediately
notify the other Party of such inability and of the period for which such inability is expected to continue. The Party giving such notice shall thereupon be excused from such of its obligations under this Agreement as it is thereby disabled from performing for so long as it is so disabled. To the extent possible, each Party shall use reasonable efforts to minimize the duration of any force majeure.

[Signature page follows]
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

CONSTELLATION PHARMACEUTICALS, INC.

By: /s/ Keith Dionne
Print Name: Keith Dionne
Title: CEO

THE LEUKEMIA & LYMPHOMA SOCIETY

By: /s/ James T. Nangle
Print Name: James T. Nangle
Title: Chief Financial Officer
Stage or Phase: Early Development – Preclinical and Phase I Clinical

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<th>End Date:</th>
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Page A-1
CONFIDENTIAL
EXHIBIT B

Calculation of Allocable Portion

The Allocable Portion of a payment is:

[**].

CONFIDENTIAL
LLS and Company agree to the following provisions regarding timelines, Milestones and Payments in performance of the Research Program under the terms of the Agreement.

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<thead>
<tr>
<th>Milestones</th>
<th>Payment</th>
<th>Projected Date</th>
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[**].
**Project Title**

Development of [**], an inhibitor of BET protein bromodomains, for the treatment of patients with hematologic malignancies

**Project Descriptors**

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<tr>
<th>Disease Diagnostic Group</th>
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<td>☒ Lymphoma</td>
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<tr>
<td>☒ Myeloma</td>
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<tr>
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Specific Disease (if assignable)

Patients with lymphoma, myeloma or acute leukemia

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<tbody>
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<td>☐ Biological Therapeutics</td>
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<td>☐ Delivery Technology</td>
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<td>☐ Medical Device</td>
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<tr>
<td>☐ Other</td>
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</table>

Current Stage of Project

[**].

Target / Pathway / Mechanism of Action

[**].

Total Funding Requested and Timeframe

7.5 million USD is requested.

[**].
# Report and RAC Meeting Schedules

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The Parties have tentatively agreed upon a schedule of Research Advisory Committee Meetings. Additional meetings may be scheduled and the Team Leaders, upon mutual agreement, may change such meeting dates.

<table>
<thead>
<tr>
<th>Meetings</th>
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<tbody>
<tr>
<td>RAC Meeting 1 (RAC 1)</td>
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<td>RAC Meeting 15 (RAC 15)</td>
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AMENDMENT NO. 1 TO RESEARCH, DEVELOPMENT AND COMMERCIALIZATION AGREEMENT

This Amendment No. 1 ("First Amendment") to the Research, Development and Commercialization Agreement dated July 31, 2012, between CONSTELLATION PHARMACEUTICALS, INC., a corporation organized under the laws of the State of Delaware with its principal office at 215 First Street, Suite 200, Cambridge, MA 02142 ("Company"), and THE LEUKEMIA AND LYMPHOMA SOCIETY, a New York nonprofit corporation with its principal office at 1311 Mamaronek Avenue, White Plains, NY 10605 ("LLS") (the "Agreement"), is entered into as of April 9, 2013 (the "First Amendment Date"). Each capitalized term used in this First Amendment that is not defined herein shall have the meaning ascribed to it in the Agreement. All references herein to Sections are to Sections of the Agreement.

RECITALS

WHEREAS, the Agreement contemplated the advancement of compound [**] as Company’s lead development candidate in the Field; and

WHEREAS, based on research to date, [**] is no longer Company’s lead development candidate in the Field;

WHEREAS, LLS and Constellation have determined that it is in their mutual interest to pursue further discussions and possible research and development of other compounds under the Agreement pursuant to this First Amendment;

WHEREAS, the Company has identified an additional compound of interest for research and possible development, and may identify other compounds that may be of interest that the Company would like to continue to research and possibly develop, in the Field under the terms of the Agreement; and

WHEREAS, LLS and the Company wish to enter into this First Amendment to provide for LLS’s funding of such additional compounds following receipt of LLS’s approval;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, Company and LLS hereby enter into this First Amendment effective as of the First Amendment Date as follows:

1. Section 1.9 is hereby amended to read in its entirety as follows:

"1.9 “Compound” shall mean either (a) Company’s proprietary compound identified as [**], or (b) the first other BET Compound with respect to which LLS makes a Go Decision pursuant to Section 2.1(d), including in each case ((a) or (b)), any metabolite, free form, salt, solvate, hydrate, anhydrous form, optical isomer or polymorph of such compound.”
2. Section 1.36 is hereby amended to read in its entirety as follows:

“1.36 **Product** shall mean any form or dosage of pharmaceutical composition or preparation in finished form labeled and packaged for sale that contains the Compound as an active ingredient.”

3. Section 1.43 is hereby amended to read in its entirety as follows:

“1.43 **Research Program** shall mean the preclinical and clinical development activities with respect to the Compound based on the Research Plan that are conducted by Company and funded in part by LLS.”

4. Section 1.53 is hereby added to the Agreement to read as follows:

“1.53 **BET Compound** shall mean any Company proprietary, internally developed compound that (a) is targeted to any one (or more) of the following [*] tandem bromodomain-containing proteins, including but not limited to wildtype proteins, any engineered or disease associated mutants, any polymorphisms, any splice variants and any translocations: [*] and (b) is designed for, and is being researched for, use in the Field.”

5. Section 1.54 is hereby added to the Agreement to read as follows:

“1.54 **First Amendment Date** shall mean April 9, 2013.

6. Section 2.11 is hereby added to the Agreement to read as follows:

“2.11 **Go Decisions.**

(a) To the extent permitted under its agreements with Third Parties as of the Effective Date, Company shall, during the term of this Agreement until [**], propose to LLS for potential funding by LLS each BET Compound with respect to which Company completes GLP toxicity testing in accordance with the remaining provisions of this Section 2.11, which, for clarity, may include [**].

(b) LLS shall have [**] (the “Diligence Period”) from the date on which Company provides LLS with a draft GLP toxicity report for a BET Compound to decide whether LLS wishes to provide funding for the research and possible development of such BET Compound by notifying Constellation of such decision (such decision, if positive and provided to Company during the Diligence Period, a “Go Decision”). During the applicable Diligence Period, Constellation shall furnish such additional information that LLS reasonably requests regarding the applicable BET Compound to the extent LLS requires such information to determine whether to make the Go Decision.

(c) LLS shall not be required to provide funding for the preclinical development of any BET Compound unless LLS makes a Go Decision with respect to such BET Compound. For clarity, from and after the First Amendment Date, unless and until LLS makes a Go Decision with respect to [**], (i) LLS shall not be required to provide any further funding for [**] and (ii) Company shall have no research or development obligations under this Agreement, and LLS shall have no right to provide an Interruption Notice, with respect to [**].
(d) The first BET Compound, if any, for which LLS makes a Go Decision within the applicable Diligence Period shall become the Compound under this Agreement, at which time LLS shall provide Funding for such BET Compound, the amount of which Funding shall be subject to any applicable cap and shall take into account Funding amounts previously paid for [**]. Promptly following such Go Decision, Company and LLS shall diligently negotiate in good faith revised dates specified in Exhibit A, revised Projected Dates specified in Exhibit C and revised RAC meeting dates in Exhibit E, following which Company and LLS shall so amend such Exhibits, all references to “[**]” in Exhibits A and C shall be amended to refer to such BET Compound, and the Research Program shall proceed in accordance with Exhibits A, C and E as so amended. If the Parties, despite diligent good faith efforts, have not so amended Exhibit A, C and E within [**] after such Go Decision, neither Party shall have any obligation to the other Party with respect to such BET Compound, such Go Decision shall be disregarded for purposes of this Agreement, and this paragraph (d) (and not paragraph (e) below) shall apply to the next Go Decision thereafter, if any.

(e) If LLS makes a Go Decision for more than one BET Compound, then, promptly following the second and each subsequent Go Decision, Company and LLS shall diligently negotiate in good faith the terms of a separate agreement for the funding, research, development and commercialization of the applicable BET Compound in the Field, which agreement the Parties anticipate shall contain terms substantially equivalent to those in this Agreement, but with Funding, Milestones, Research Plan and Budget that are appropriate for the applicable BET Compound. Company’s obligation to enter into any such separate agreement shall be subject to Company’s receipt of any required consent, which include but are not limited to any consent that may be required from Genentech Inc. and/or Company’s stockholders, which consents Company shall use good faith efforts to obtain. If the Parties, despite diligent good faith efforts, have not entered into such separate agreement with respect to a BET Compound within [**] after the applicable Go Decision, neither Party shall have any obligation to the other Party with respect to such BET Compound.

7. Section 12.1 is hereby amended to read in its entirety as follows:

“12.1 Term and Termination. This Agreement shall become effective as of the Effective Date and, unless earlier terminated pursuant to the other provisions of this Section 12, shall terminate (a) on the first anniversary of the First Amendment Date if LLS does not make a Go Decision prior to such date, or (b) if LLS makes a Go Decision prior to such date, when there are no longer any payment obligations owing from Company to LLS pursuant to Section 9.3, or, if applicable, from LLS to Company pursuant to Section 9.5. If this Agreement terminates pursuant to clause (a) of this Section 12.1, Company shall return to LLS within [**] after termination the $[**] in unexpended Funding that Company held as of the First Amendment Date, which obligation shall survive such termination. If LLS makes a Go Decision prior to the first anniversary of the First Amendment Date, LLS shall have the right to terminate the Agreement on ninety (90) days’ notice if any of the following occurs: (x) any Projected Date listed for a development Milestone in Exhibit C is delayed by more than one hundred twenty (120) days (a “Program Delay”) and LLS and Company decide by mutual agreement that the program has suffered irreparable damage that would not be remedied even by undertaking reasonable efforts to address the cause of the Program Delay, such that the long-term viability of
the program is put into question; provided, however, that if a Program Delay occurs that does not result in termination under this clause, then all subsequent Projected Dates will be correspondingly adjusted to reflect the actual delay in achieving the Milestone in question; (z) LLS determines that it has insufficient funds to complete the full Funding under the Agreement, as determined by a Board Directive to cut Program(s) Funding."

8. The Parties hereby confirm and agree that, except as amended by this First Amendment, the Agreement remains in full force and effect and is a binding obligation of the Parties. The provisions of Section 14 (Miscellaneous Provisions) are hereby incorporated by reference herein, mutatis mutandis.

[Signature page follows]
IN WITNESS WHEREOF, the Parties hereto have set their hand to this First Amendment as of the date first written above.

CONSTELLATION PHARMACEUTICALS, INC.

By: /s/ Matthias Jaffe

Name: Matthias Jaffe

Title: CEO

THE LEUKEMIA & LYMPHOMA SOCIETY

By: /s/ James T. Nangle

Name: James T. Nangle

Title: CEO
AMENDMENT NO. 2 TO RESEARCH, DEVELOPMENT AND COMMERCIALIZATION AGREEMENT

This Amendment No. 2 (“Second Amendment”) to the Research, Development and Commercialization Agreement dated July 31, 2012 and amended on April 9, 2013, between CONSTELLATION PHARMACEUTICALS, INC., a corporation organized under the laws of the State of Delaware with its principal office at 215 First Street, Suite 200, Cambridge, MA 02142 (“Company”), and THE LEUKEMIA AND LYMPHOMA SOCIETY, a New York nonprofit corporation with its principal office at 1311 Mamaroneck Avenue, White Plains, NY 10605 (“LLS”) (the “Agreement”), is entered into as of June 25, 2013 (the “Second Amendment Date”). Each capitalized term used in this Second Amendment that is not defined herein shall have the meaning ascribed to it in the Agreement. All references herein to Sections are to Sections of the Agreement.

RECITALS

WHEREAS, LLS has made a Go Decision for the development of CPI-0610 as Company’s lead development candidate in the Field; and

WHEREAS, LLS and the Company wish to enter into this Second Amendment to provide for LLS’s funding of CPI-0610 following receipt of LLS’s Go Decision;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged. Company and LLS hereby enter into this Second Amendment effective as of the Second Amendment Date as follows:

1. Exhibit C is hereby deleted from the Agreement and replaced by the Exhibit C attached hereto.

2. The Parties hereby confirm and agree that, except as amended by this Second Amendment, the Agreement remains in full force and effect and is a binding obligation of the Parties, The provisions of Section 14 (Miscellaneous Provisions) are hereby incorporated by reference herein, mutatis mutandis.

[Signature page follows]
IN WITNESS WHEREOF, the Parties hereto have set their hand to this Second Amendment as of the date first written above.

CONSTELLATION PHARMACEUTICALS, INC.

By: /s/ Matthias Jaffe
Name: Matthias Jaffe
Title: CEO

THE LEUKEMIA & LYMPHOMA SOCIETY

By: /s/ James T. Nangle
Name: James T. Nangle
Title: CEO
LLS and Company agree to the following provisions regarding timelines, Milestones and Payments in performance of the Research Program under the terms of the Agreement.

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[**].
This Amendment No. 3 (“Third Amendment”) to the Research, Development and Commercialization Agreement dated July 31, 2012 and most recently amended on June 25, 2013, between CONSTELLATION PHARMACEUTICALS, INC., a corporation organized under the laws of the State of Delaware with its principal office at 215 First Street, Suite 200, Cambridge, MA 02142 (“Company”), and THE LEUKEMIA AND LYMPHOMA SOCIETY, a New York nonprofit corporation with its principal office at 1311 Mamaroneck Avenue, White Plains, NY 10605 (“LLS”) (the “Agreement”), is entered into as of June 10, 2014 (the “Third Amendment Date”). Each capitalized term used in this Third Amendment that is not defined herein shall have the meaning ascribed to it in the Agreement. All references herein to Sections are to Sections of the Agreement.

**RECITALS**

WHEREAS, LLS and the Company wish to enter into this Third Amendment to provide for LLS’s funding of CPI-0610;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, Company and LLS hereby enter into this Third Amendment effective as of the Third Amendment Date as follows:

1. Exhibit C is hereby deleted from the Agreement and replaced by the Exhibit C attached hereto.

2. The Parties hereby confirm and agree that, except as amended by this Third Amendment, the Agreement remains in full force and effect and is a binding obligation of the Parties. The provisions of Section 14 (Miscellaneous Provisions) are hereby incorporated by reference herein, mutatis mutandis.

[Signature page follows]
LLS and Company agree to the following provisions regarding timelines, Milestones and Payments in performance of the Research Program under the terms of the Agreement.

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[**]
IN WITNESS WHEREOF, the Parties hereto have set their hand to this Second Amendment as of the date first written above.

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<tr>
<th>Company</th>
<th>By:</th>
<th>Name:</th>
<th>Title:</th>
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<tr>
<td>CONSTELLATION PHARMACEUTICALS, INC.</td>
<td>/s/ Matthias Jaffe</td>
<td>Matthias Jaffe</td>
<td>CEO</td>
</tr>
<tr>
<td>THE LEUKEMIA &amp; LYMPHOMA SOCIETY</td>
<td>/s/ Rosemarie Loffredo</td>
<td>Rosemarie Loffredo</td>
<td>Chief Administrative Officer and</td>
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<td>Chief Financial Officer</td>
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AMENDMENT NO. 4 TO RESEARCH, DEVELOPMENT AND COMMERCIALIZATION AGREEMENT

This Amendment No. 4 ("Fourth Amendment") to the Research, Development and Commercialization Agreement dated July 31, 2012 and most recently amended on June 10, 2014, between CONSTELLATION PHARMACEUTICALS, INC., a corporation organized under the laws of the State of Delaware with its principal office at 215 First Street, Suite 200, Cambridge, MA 02142 ("Company"), and THE LEUKEMIA AND LYMPHOMA SOCIETY, a New York nonprofit corporation with its principal office at 3 International Drive, Rye Brook, NY 10375 ("LLS") (the "Agreement"), is entered into as of March 3, 2016 (the "Fourth Amendment Date"). Each capitalized term used in this Fourth Amendment that is not defined herein shall have the meaning ascribed to it in the Agreement. All references herein to Sections are to Sections of the Agreement.

RECITALS

WHEREAS, LLS and the Company wish to enter into this Fourth Amendment to provide for LLS’s funding of CPI-0610;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, Company and LLS hereby enter into this Fourth Amendment effective as of the Fourth Amendment Date as follows:

1. Exhibit C is hereby deleted from the Agreement and replaced by the Exhibit C attached hereto.

2. The Parties hereby confirm and agree that, except as amended by this Fourth Amendment, the Agreement remains in full force and effect and is a binding obligation of the Parties. The provisions of Section 14 (Miscellaneous Provisions) are hereby incorporated by reference herein, mutatis mutandis.

[Signature page follows]
LLS and Company agree to the following provisions regarding timelines, Milestones and Payments in performance of the Research Program under the terms of the Agreement.

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[**].
IN WITNESS WHEREOF, the Parties hereto have set their hand to this Second Amendment as of the date first written above.

CONSTELLATION PHARMACEUTICALS, INC.

By: /s/ Matthias Jaffe  
Name: Matthias Jaffe  
Title: CEO

THE LEUKEMIA & LYMPHOMA SOCIETY

By: /s/ Lee Greenberger  
Name: Lee Greenberger  
Title: CSO
THIS LOAN AND SECURITY AGREEMENT (as the same may from time to time be amended, modified, supplemented or restated, this “Agreement”) dated as of April 26, 2016 (the “Effective Date”) among OXFORD FINANCE LLC, a Delaware limited liability company with an office located at 133 North Fairfax Street, Alexandria, Virginia 22314 (“Oxford”), as collateral agent (in such capacity, “Collateral Agent”), the Lenders listed on Schedule 1.1 hereto or otherwise a party hereto from time to time including Oxford in its capacity as a Lender and SILICON VALLEY BANK, a California corporation with an office located at 3003 Tasman Drive, Santa Clara, CA 95054 (“Bank” or “SVB”) (each a “Lender” and collectively, the “Lenders”), and CONSTELLATION PHARMACEUTICALS, INC., a Delaware corporation with offices located at 215 First Street, Suite 200, Cambridge, Massachusetts 02142 (“Borrower”), provides the terms on which the Lenders shall lend to Borrower and Borrower shall repay the Lenders. The parties agree as follows:

1. ACCOUNTING AND OTHER TERMS

1.1 Accounting terms not defined in this Agreement shall be construed in accordance with GAAP. Calculations and determinations must be made in accordance with GAAP. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Section 13. All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein. All references to “Dollars” or “$” are United States Dollars, unless otherwise noted.

2. LOANS AND TERMS OF PAYMENT

2.1 Promise to Pay. Borrower hereby unconditionally promises to pay each Lender, the outstanding principal amount of all Term Loans advanced to Borrower by such Lender and accrued and unpaid interest thereon and any other amounts due hereunder as and when due in accordance with this Agreement.

2.2 Term Loans.

(a) Availability.

(i) Subject to the terms and conditions of this Agreement, the Lenders agree, severally and not jointly, to make term loans to Borrower on the Effective Date in an aggregate amount of Eleven Million Eight Hundred Thousand Dollars ($11,800,000.00) according to each Lender’s Term Loan Commitment as set forth on Schedule 1.1 hereto (such term loans are hereinafter referred to singly as a “Term Loan”, and collectively as the “Term Loans”). After repayment, no Term Loan may be re-borrowed.

(b) Repayment. Borrower shall make monthly payments of interest only commencing on the first (1st) Payment Date following the Funding Date of each Term Loan, and continuing on the Payment Date of each successive month thereafter through and including the Payment Date immediately preceding the Amortization Date. Borrower agrees to pay, on the Funding Date of each Term Loan, any initial partial monthly interest payment otherwise due for the period between the Funding Date of such Term Loan and the first Payment Date thereof. Commencing on the Amortization Date, and continuing on the Payment Date of each month thereafter, Borrower shall make consecutive equal monthly payments of principal and interest, in arrears, to each Lender, which calculations shall be deemed correct absent manifest error) based upon: (1) the amount of such Lender’s Term Loan, (2) the effective rate of interest, as determined in Section 2.3(a), and (3) a repayment schedule equal to twenty-one (21) months. All unpaid principal and accrued and unpaid interest with respect to each Term Loan is due and payable in full on the Maturity Date. Each Term Loan may only be prepaid in accordance with Sections 2.2(c) and 2.2(d).

(c) Mandatory Prepayments. If the Term Loans are accelerated following the occurrence of an Event of Default, Borrower shall immediately pay to Lenders, payable to each Lender in accordance with its respective Pro Rata Share, an amount equal to the sum of: (i) all outstanding principal of the Term Loans plus accrued and unpaid interest thereon through the prepayment date, (ii) the Final Payment, (iii) the Prepayment Fee, plus (iv) all other Obligations that are due and payable, including Lenders’ Expenses and interest at the Default Rate.
with respect to any past due amounts. Notwithstanding (but without duplication with) the foregoing, on the Maturity Date, if the Final Payment had not previously been paid in full in connection with the prepayment of the Term Loans in full, Borrower shall pay to Collateral Agent, for payment to each Lender in accordance with its respective Pro Rata Share, the Final Payment in respect of the Term Loan(s).

(d) **Permitted Prepayment of Term Loans.** Borrower shall have the option to prepay all, but not less than all, of the Term Loans advanced by the Lenders under this Agreement, provided Borrower (i) provides written notice to Collateral Agent of its election to prepay the Term Loans at least ten (10) days prior to such prepayment, and (ii) pays to the Lenders on the date of such prepayment, payable to each Lender in accordance with its respective Pro Rata Share, an amount equal to the sum of (A) all outstanding principal of the Term Loans plus accrued and unpaid interest thereon through the prepayment date, (B) the Final Payment, (C) the Prepayment Fee, plus (D) all other Obligations that are due and payable, including Lenders’ Expenses and interest at the Default Rate with respect to any past due amounts.

### 2.3 Payment of Interest on the Credit Extensions

(a) **Interest Rate.** Subject to Section 2.3(b), the principal amount outstanding under the Term Loans shall accrue interest at a fixed per annum rate (which rate shall be fixed for the duration of the applicable Term Loan) equal to the Basic Rate, determined by Collateral Agent on the Funding Date of the applicable Term Loan, which interest shall be payable monthly in arrears in accordance with Sections 2.2(b) and 2.3(e). Interest shall accrue on each Term Loan commencing on, and including, the Funding Date of such Term Loan, and shall accrue on the principal amount outstanding under such Term Loan through and including the day on which such Term Loan is paid in full.

(b) **Default Rate.** Immediately upon the occurrence and during the continuance of an Event of Default, Obligations shall accrue interest at a fixed per annum rate equal to the rate that is otherwise applicable thereto plus five percentage points (5.00%) (the “Default Rate”). Payment or acceptance of the increased interest rate provided in this Section 2.3(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Collateral Agent.

(c) **360-Day Year.** Interest shall be computed on the basis of a three hundred sixty (360) day year consisting of twelve (12) months of thirty (30) days.

(d) **Debit of Accounts.** Collateral Agent and each Lender may debit (or ACH) any deposit accounts, maintained by Borrower, including the Designated Deposit Account, for principal and interest payments or any other amounts Borrower owes the Lenders under the Loan Documents when due. Any such debits (or ACH activity) shall not constitute a set-off. Without limiting the foregoing, Collateral Agent shall endeavor to promptly notify Borrower of any amounts (other than principal and interest payments) debited from Borrower’s deposit accounts in respect of this Agreement, but failure to so notify Borrower shall not create any liability or breach by Collateral Agent or any Lender or otherwise impair their rights hereunder.

(e) **Payments.** Except as otherwise expressly provided herein, all payments by Borrower under the Loan Documents shall be made to the respective Lender to which such payments are owed, at such Lender’s office in immediately available funds on the date specified herein. Unless otherwise provided, interest is payable monthly on the Payment Date of each month. Payments of principal and/or interest received after 12:00 noon Eastern time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment is due the next Business Day and additional fees or interest, as applicable, shall continue to accrue until paid. All payments to be made by Borrower hereunder or under any other Loan Document, including payments of principal and interest, and all fees, expenses, indemnities and reimbursements, shall be made without set-off, recoupment or counterclaim, in lawful money of the United States and in immediately available funds.

2.4 **Secured Promissory Notes.** The Term Loans shall be evidenced by a Secured Promissory Note or Notes in the form attached as Exhibit D hereto (each a “Secured Promissory Note”), and shall be repayable as set forth in this Agreement. Borrower irrevocably authorizes each Lender to make or cause to be made, on or about the Funding Date of any Term Loan or at the time of receipt of any payment of principal on such Lender’s Secured
Promissory Note, an appropriate notation on such Lender’s Secured Promissory Note Record reflecting the making of such Term Loan or (as the case may be) the receipt of such payment. The outstanding amount of each Term Loan set forth on such Lender’s Secured Promissory Note Record shall be prima facie evidence of the principal amount thereof owing and unpaid to such Lender, but the failure to record, or any error in so recording, any such amount on such Lender’s Secured Promissory Note Record shall not limit or otherwise affect the obligations of Borrower under any Secured Promissory Note or any other Loan Document to make payments of principal of or interest on any Secured Promissory Note when due. Upon receipt of an affidavit of an officer of a Lender as to the loss, theft, destruction, or mutilation of its Secured Promissory Note, Borrower shall issue, in lieu thereof, a replacement Secured Promissory Note in the same principal amount thereof and of like tenor.

2.5 Fees. Borrower shall pay to Collateral Agent:

(a) Final Payment. The Final Payment, when due hereunder, to be shared between the Lenders in accordance with their respective Pro Rata Shares;

(b) Prepayment Fee. The Prepayment Fee, when due hereunder, to be shared between the Lenders in accordance with their respective Pro Rata Shares; and

(c) Lenders’ Expenses. All Lenders’ Expenses (including reasonable attorneys’ fees and expenses for documentation and negotiation of this Agreement) incurred through and after the Effective Date, when due.

2.6 Withholding. Payments received by the Lenders from Borrower hereunder will be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any governmental authority (including any interest, additions to tax or penalties applicable thereto). Specifically, however, if at any time any Governmental Authority, applicable law, regulation or international agreement requires Borrower to make any withholding or deduction from any such payment or other sum payable hereunder to the Lenders, Borrower hereby covenants and agrees that the amount due from Borrower with respect to such payment or other sum payable hereunder will be increased to the extent necessary to ensure that, after the making of such required withholding or deduction, each Lender receives a net sum equal to the sum which it would have received had no withholding or deduction been required and Borrower shall pay the full amount withheld or deducted to the relevant Governmental Authority. Borrower will, upon request, furnish the Lenders with proof reasonably satisfactory to the Lenders indicating that Borrower has made such withholding payment; provided, however, that Borrower need not make any withholding payment if the amount or validity of such withholding payment is contested in good faith by appropriate and timely proceedings and as to which payment in full is bonded or reserved against by Borrower. The agreements and obligations of Borrower contained in this Section 2.6 shall survive the termination of this Agreement.

3. CONDITIONS OF LOANS

3.1 Conditions Precedent to Initial Credit Extension. Each Lender’s obligation to make a Term Loan is subject to the condition precedent that Collateral Agent and each Lender shall consent to or shall have received, in form and substance satisfactory to Collateral Agent and each Lender, such documents, and completion of such other matters, as Collateral Agent and each Lender may reasonably deem necessary or appropriate, including, without limitation:

(a) original Loan Documents, each duly executed by Borrower and each Subsidiary, as applicable;

(b) duly executed original Control Agreements with respect to any Collateral Accounts maintained by Borrower or any of its Subsidiaries;

(c) duly executed original Secured Promissory Notes in favor of each Lender according to its Term Loan Commitment Percentage;
(d) the Operating Documents and good standing certificates of Borrower and its Subsidiaries certified by the Secretary of State (or equivalent agency) of Borrower’s and such Subsidiaries’ jurisdiction of organization or formation and each jurisdiction in which Borrower and each Subsidiary is qualified to conduct business, each as of a date no earlier than thirty (30) days prior to the Effective Date;

(e) a completed Perfection Certificate for Borrower and each of its Subsidiaries;

(f) the Annual Projections, for the current calendar year;

(g) duly executed original officer’s certificate for Borrower and each Subsidiary that is a party to the Loan Documents, in a form acceptable to Collateral Agent and the Lenders;

(h) certified copies, dated as of date no earlier than thirty (30) days prior to the Effective Date, of financing statement searches, as Collateral Agent shall request, accompanied by written evidence (including any UCC termination statements) that the Liens indicated in any such financing statements either constitute Permitted Liens or have been or, in connection with the initial Credit Extension, will be terminated or released;

(i) a landlord’s consent executed in favor of Collateral Agent in respect of all of Borrower’s and each Subsidiaries’ leased locations;

(j) a bailee waiver executed in favor of Collateral Agent in respect of the locations at 3 Chelsea Parkway, Suite 305, Boothwyn, PA 19061 and 62925 NE 18th Street, Bend, OR 97701 at which Borrower maintains Collateral with QSPharma and Patheon, respectively;

(k) a duly executed legal opinion of counsel to Borrower dated as of the Effective Date;

(l) evidence satisfactory to Collateral Agent and the Lenders that the insurance policies required by Section 6.5 hereof are in full force and effect, together with appropriate evidence showing loss payable and/or additional insured clauses or endorsements in favor of Collateral Agent, for the ratable benefit of the Lenders;

(m) a payoff letter from Oxford Finance LLC, as collateral agent and lender, and Silicon Valley Bank, as lender, in respect of the Existing Indebtedness;

(n) evidence that (i) the Liens securing the Existing Indebtedness will be terminated and (ii) the documents and/or filings evidencing the perfection of such Liens, including without limitation any financing statements and/or control agreements, have or will, concurrently with the initial Credit Extension, be terminated; and

(o) payment of the fees and Lenders’ Expenses then due as specified in Section 2.5 hereof.

3.2 Conditions Precedent to all Credit Extensions. The obligation of each Lender to make each Credit Extension, including the initial Credit Extension, is subject to the following conditions precedent:

(a) receipt by (i) the Lenders of an executed Disbursement Letter in the form of Exhibit B-1 attached hereto; and (ii) SVB of an executed Loan Payment/Advance Request Form in the form of Exhibit B-2 attached hereto;

(b) the representations and warranties in Section 5 hereof shall be true, accurate and complete in all material respects on the date of the Disbursement Letter (and the Loan Payment/Advance Request Form) and on the Funding Date of each Credit Extension; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects of such date, and no Event of Default shall have occurred and be continuing or result from the Credit Extension. Each Credit Extension is Borrower’s representation and warranty on that date that the representations and warranties in Section 5 hereof are true, accurate and complete in all material respects; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects of such date;
(c) in such Lender’s sole but reasonable discretion, there has not been any Material Adverse Change or any material adverse deviation by Borrower from the Annual Projections of Borrower presented to and accepted by Collateral Agent and each Lender; and

(d) payment of the fees and Lenders’ Expenses then due as specified in Section 2.5 hereof.

3.3 Covenant to Deliver. Borrower agrees to deliver to Collateral Agent and the Lenders each item required to be delivered to Collateral Agent under this Agreement as a condition precedent to any Credit Extension. Borrower expressly agrees that a Credit Extension made prior to the receipt by Collateral Agent or any Lender of any such item shall not constitute a waiver by Collateral Agent or any Lender of Borrower’s obligation to deliver such item, and any such Credit Extension in the absence of a required item shall be made in each Lender’s sole discretion.

3.4 Procedures for Borrowing. Subject to the prior satisfaction of all other applicable conditions to the making of a Term Loan set forth in this Agreement, to obtain a Term Loan, Borrower shall notify the Lenders (which notice shall be irrevocable) by electronic mail, facsimile, or telephone by 12:00 noon Eastern time three (3) Business Days prior to the date the Term Loan is to be made. Together with any such electronic, facsimile or telephonic notification, Borrower shall deliver to the Lenders by electronic mail or facsimile a completed Disbursement Letter (and the Loan Payment/Advance Request Form, with respect to SVB) executed by a Responsible Officer or his or her designee. The Lenders may rely on any telephone notice given by a person whom a Lender reasonably believes is a Responsible Officer or designee. On the Funding Date, each Lender shall credit and/or transfer (as applicable) to the Designated Deposit Account, an amount equal to its Term Loan Commitment.

4. CREATION OF SECURITY INTEREST

4.1 Grant of Security Interest. Borrower hereby grants Collateral Agent, for the ratable benefit of the Lenders, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Collateral Agent, for the ratable benefit of the Lenders, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof. Borrower represents, warrants, and covenants that the security interest granted herein is and shall at all times continue to be a first priority perfected security interest in the Collateral, subject only to Permitted Liens that are permitted by the terms of this Agreement to have priority to Collateral Agent’s Lien. If Borrower shall acquire a commercial tort claim (as defined in the Code), Borrower, shall promptly notify Collateral Agent in a writing signed by Borrower, as the case may be, of the general details thereof (and further details as may be required by Collateral Agent) and grant to Collateral Agent, for the ratable benefit of the Lenders, in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Collateral Agent.

Borrower acknowledges that it previously has entered, and/or may in the future enter, into Bank Services Agreements with Bank. Regardless of the terms of any Bank Services Agreement, Borrower agrees that any amounts Borrower owes Bank thereunder shall be deemed to be Obligations hereunder and that it is the intent of Borrower and Bank to have all such Obligations secured by the first priority perfected security interest in the Collateral granted herein (subject only to Permitted Liens that may have superior priority to Collateral Agent’s Lien in this Agreement).

If this Agreement is terminated, Collateral Agent’s Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than inchoate indemnity obligations) and at such time as the Lenders’ obligation to make Credit Extensions has terminated, Collateral Agent shall, at the sole cost and expense of Borrower, release its Liens in the Collateral and all rights therein shall revert to Borrower. In the event (x) all Obligations (other than inchoate indemnity obligations), except for Bank Services, are satisfied in full, and (y) this Agreement is terminated, Collateral Agent shall terminate the security interest granted herein upon Borrower providing cash collateral acceptable to Bank in its good faith business judgment for Bank Services, if any. In the event such Bank Services
consist of outstanding Letters of Credit, Borrower shall provide to Bank cash collateral in an amount equal to (x) if such Letters of Credit are denominated in Dollars, then one hundred five percent (105%); and (y) if such Letters of Credit are denominated in a Foreign Currency, then one hundred ten percent (110%), of the Dollar Equivalent of the face amount of all such Letters of Credit plus all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its good faith business judgment), to secure all of the Obligations relating to such Letters of Credit.

4.2 Authorization to File Financing Statements. Borrower hereby authorizes Collateral Agent to file financing statements or take any other action required to perfect Collateral Agent’s security interests in the Collateral, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Collateral Agent’s interest or rights under the Loan Documents, including a notice that any disposition of the Collateral, except to the extent permitted by the terms of this Agreement, by Borrower, or any other Person, shall be deemed to violate the rights of Collateral Agent under the Code.

5. REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants to Collateral Agent and the Lenders as follows:

5.1 Due Organization, Authorization: Power and Authority. Borrower and each of its Subsidiaries is duly existing and in good standing as a Registered Organization in its jurisdictions of organization or formation and Borrower and each of its Subsidiaries is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its businesses or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to have a Material Adverse Change. In connection with this Agreement, Borrower and each of its Subsidiaries has delivered to Collateral Agent a completed perfection certificate signed by an officer of Borrower or such Subsidiary (each a “Perfection Certificate” and collectively, the “Perfection Certificates”). Borrower represents and warrants that (a) Borrower and each of its Subsidiaries’ exact legal name is that which is indicated on its respective Perfection Certificate and on the signature page of each Loan Document to which it is a party; (b) Borrower and each of its Subsidiaries is an organization of the type and is organized in the jurisdiction set forth on its respective Perfection Certificate; (c) each Perfection Certificate accurately sets forth each of Borrower’s and its Subsidiaries’ organizational identification number or accurately states that Borrower or such Subsidiary has none; (d) each Perfection Certificate accurately sets forth Borrower’s and each of its Subsidiaries’ place of business, or, if more than one, its chief executive office as well as Borrower’s and each of its Subsidiaries’ mailing address (if different than its chief executive office); (e) except as disclosed in the Perfection Certificate, Borrower and each of its Subsidiaries (and each of its respective predecessors) have not, in the past five (5) years, changed its jurisdiction of organization, organizational structure or type, or any organizational number assigned by its jurisdiction; and (f) all other information set forth on the Perfection Certificates pertaining to Borrower and each of its Subsidiaries, is accurate and complete (it being understood and agreed that Borrower and each of its Subsidiaries may from time to time update certain information in the Perfection Certificates (including the information set forth in clause (d) above) after the Effective Date to the extent permitted by one or more specific provisions in this Agreement); such updated Perfection Certificates subject to the review and approval of Collateral Agent. If Borrower or any of its Subsidiaries is not now a Registered Organization but later becomes one, Borrower shall notify Collateral Agent of such occurrence and provide Collateral Agent with such Person’s organizational identification number within five (5) Business Days of receiving such organizational identification number.

The execution, delivery and performance by Borrower and each of its Subsidiaries of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with any of Borrower’s or such Subsidiaries’ organizational documents, including its respective Operating Documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law applicable thereto, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Borrower or such Subsidiary, or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect) or are being obtained pursuant to Section 6.1(b), or (v) constitute an event of default under any material agreement by which Borrower or any of such Subsidiaries, or their respective properties, is bound. Neither Borrower nor any of its Subsidiaries is in default under any agreement to which it is a party or by which it or any of its assets is bound in which such default could reasonably be expected to have a Material Adverse Change.
5.2 Collateral.

(a) Borrower and each of its Subsidiaries have good title to, have rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien under the Loan Documents, free and clear of any and all Liens except Permitted Liens, and neither Borrower nor any of its Subsidiaries have any Deposit Accounts, Securities Accounts, Commodity Accounts or other investment accounts other than the Collateral Accounts or the other investment accounts, if any, described in the Perfection Certificates delivered to Collateral Agent in connection herewith with respect of which Borrower or such Subsidiary has given Collateral Agent notice and taken such actions as are necessary to give Collateral Agent a perfected security interest therein. The Accounts are bona fide, existing obligations of the Account Debtors.

(b) On the Effective Date, and except as disclosed on the Perfection Certificate (i) the Collateral is not in the possession of any third party bailee (such as a warehouse), and (ii) third party bailees do not possess components of the Collateral in excess of Two Hundred Fifty Thousand Dollars ($250,000.00) in the aggregate for all locations. None of the components of the Collateral shall be maintained at locations other than as disclosed in the Perfection Certificates on the Effective Date or as permitted pursuant to Section 6.11.

(c) All Inventory is in all material respects of good and marketable quality, free from material defects.

(d) Borrower and each of its Subsidiaries is the sole owner of the Intellectual Property each respectively purports to own, free and clear of all Liens other than Permitted Liens. Except as noted on the Perfection Certificates, neither Borrower nor any of its Subsidiaries is a party to, nor is bound by, any material license or other material agreement with respect to which Borrower or such Subsidiary is the licensee that (i) prohibits or otherwise restricts Borrower or its Subsidiaries from granting a security interest in Borrower’s or such Subsidiaries’ interest in such material license or material agreement or any other property, or (ii) for which a default under or termination of could reasonably be expected to interfere with Collateral Agent's or any Lender’s right to sell any Collateral. Borrower shall provide written notice to Collateral Agent and each Lender within twenty (20) days of Borrower or any of its Subsidiaries entering into or becoming bound by any material license or material agreement with respect to which Borrower or any Subsidiary is the licensee (other than over-the-counter software that is commercially available to the public).

5.3 Litigation. Except as disclosed (i) on the Perfection Certificates, or (ii) in accordance with Section 6.9 hereof, there are no actions, suits, investigations, or proceedings pending or, to the knowledge of the Responsible Officers, threatened in writing by or against Borrower or any of its Subsidiaries involving more than Two Hundred Fifty Thousand Dollars ($250,000.00).

5.4 No Material Deterioration in Financial Condition; Financial Statements. All consolidated financial statements for Borrower and its Subsidiaries, delivered to Collateral Agent fairly present, in conformity with GAAP, in all material respects the consolidated financial condition of Borrower and its Subsidiaries, and the consolidated results of operations of Borrower and its Subsidiaries. There has not been any material deterioration in the consolidated financial condition of Borrower and its Subsidiaries since the date of the most recent financial statements submitted to any Lender.

5.5 Solvency. Borrower and each of its Subsidiaries is Solvent.

5.6 Regulatory Compliance. Neither Borrower nor any of its Subsidiaries is an “investment company” or a company “controlled” by an “investment company” under the Investment Company Act of 1940, as amended. Neither Borrower nor any of its Subsidiaries is engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Borrower and each of its Subsidiaries have complied in all material respects with the Federal Fair Labor Standards Act. Neither Borrower nor any of its Subsidiaries is a “holding company” or an “affiliate” of a “holding company” or a
subsidiary company” of a “holding company” as each term is defined and used in the Public Utility Holding Company Act of 2005. Neither Borrower nor any of its Subsidiaries has violated any laws, ordinances or rules, the violation of which could reasonably be expected to have a Material Adverse Change. Neither Borrower’s nor any of its Subsidiaries’ properties or assets has been used by Borrower or such Subsidiary or, to Borrower’s knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than in material compliance with applicable laws. Borrower and each of its Subsidiaries has obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted.

Neither Borrower, any of its Subsidiaries, or any of Borrower’s or its Subsidiaries’ Affiliates or any of their respective agents acting or benefitting in any capacity in connection with the transactions contemplated by this Agreement is (i) in violation of any Anti-Terrorism Law, (ii) engaging in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law, or (iii) a Blocked Person. None of Borrower, any of its Subsidiaries, or to the knowledge of Borrower and any of their Affiliates or agents, acting or benefitting in any capacity in connection with the transactions contemplated by this Agreement, (x) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, or (y) deals in, or otherwise engages in any transaction relating to, any property or interest in property blocked pursuant to Executive Order No. 13224, any similar executive order or other Anti-Terrorism Law.

5.7 Investments. Neither Borrower nor any of its Subsidiaries owns any stock, shares, partnership interests or other equity securities except for Permitted Investments.

5.8 Tax Returns and Payments; Pension Contributions. Borrower and each of its Subsidiaries has timely filed all required tax returns and reports, and Borrower and each of its Subsidiaries, has timely paid all foreign, federal, state, and local taxes, assessments, deposits and contributions owed by Borrower and such Subsidiaries, in all jurisdictions in which Borrower or any such Subsidiary is subject to taxes, including the United States, unless such taxes are being contested in accordance with the following sentence. Borrower and each of its Subsidiaries, may defer payment of any contested taxes, provided that Borrower or such Subsidiary, (a) in good faith contests its obligation to pay the taxes by appropriate proceedings promptly and diligently instituted and conducted, (b) notifies Collateral Agent in writing of the commencement of, and any material development in, the proceedings, and (c) posts bonds or takes any other steps required to prevent the Governmental Authority levying such contested taxes from obtaining a Lien upon any of the Collateral that is other than a “Permitted Lien.” Neither Borrower nor any of its Subsidiaries is aware of any claims or adjustments proposed for any of Borrower’s or such Subsidiaries’, prior tax years which could result in additional taxes becoming due and payable by Borrower or its Subsidiaries. Borrower and each of its Subsidiaries have paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and neither Borrower nor any of its Subsidiaries have, withdrawn from participation in, and have not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of Borrower or its Subsidiaries, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other Governmental Authority.

5.9 Use of Proceeds. Borrower shall use the proceeds of the Credit Extensions solely as working capital and to fund its general business requirements in accordance with the provisions of this Agreement, and not for personal, family, household or agricultural purposes. The proceeds of the Term Loans shall be used by Borrower to repay the Existing Indebtedness in full on the Effective Date.

5.10 Full Disclosure. No written representation, warranty or other statement of Borrower or any of its Subsidiaries in any certificate or written statement given to Collateral Agent or any Lender, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Collateral Agent or any Lender, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized that the projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

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5.11 Definition of "Knowledge." For purposes of the Loan Documents, whenever a representation or warranty is made to Borrower’s knowledge or awareness, to the “best of” Borrower’s knowledge, or with a similar qualification, knowledge or awareness means the actual knowledge, after reasonable investigation, of the Responsible Officers.

6. AFFIRMATIVE COVENANTS

Borrower shall, and shall cause each of its Subsidiaries to, do all of the following:

6.1 Government Compliance.

(a) Maintain its and all its Subsidiaries’ legal existence and good standing in their respective jurisdictions of organization and maintain qualification in each jurisdiction in which the failure to so qualify could reasonably be expected to have a Material Adverse Change. Comply with all laws, ordinances and regulations to which Borrower or any of its Subsidiaries is subject, the noncompliance with which could reasonably be expected to have a Material Adverse Change.

(b) Obtain and keep in full force and effect, all of the material Governmental Approvals necessary for the performance by Borrower and its Subsidiaries of their respective businesses and obligations under the Loan Documents and the grant of a security interest to Collateral Agent for the ratable benefit of the Lenders, in all of the Collateral. Borrower shall promptly provide copies to Collateral Agent of any material Governmental Approvals obtained by Borrower or any of its Subsidiaries.

6.2 Financial Statements, Reports, Certificates.

(a) Deliver to each Lender:

(i) as soon as available, but no later than thirty (30) days after the last day of each month, a company prepared consolidated and consolidating balance sheet, income statement and cash flow statement covering the consolidated operations of Borrower and its Subsidiaries for such month certified by a Responsible Officer and in a form reasonably acceptable to Collateral Agent;

(ii) as soon as available, but no later than one hundred eighty (180) days after the last day of Borrower’s fiscal year or within five (5) days of filing with the SEC, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion on the financial statements from an independent certified public accounting firm acceptable to Collateral Agent in its reasonable discretion;

(iii) as soon as available after approval thereof by Borrower’s Board of Directors, but no later than thirty (30) days after the last day of each of Borrower’s fiscal years, Borrower’s annual financial projections for the entire current fiscal year as approved by Borrower’s Board of Directors, which such annual financial projections shall be set forth in a month-by-month format (such annual financial projections as originally delivered to Collateral Agent and the Lenders are referred to herein as the “Annual Projections”; provided that, any revisions of the Annual Projections approved by Borrower’s Board of Directors shall be delivered to Collateral Agent and the Lenders no later than seven (7) days after such approval);

(iv) within five (5) days of delivery, copies of all statements, reports and notices made available to Borrower’s security holders or holders of Subordinated Debt;

(v) in the event that Borrower becomes subject to the reporting requirements under the Securities Exchange Act of 1934, as amended, within five (5) days of filing, all reports on Form 10-K, 10-Q and 8-K filed with the Securities and Exchange Commission;
(vi) prompt notice of any amendments of or other changes to the capitalization table of Borrower and to the Operating Documents of Borrower or any of its Subsidiaries, together with any copies reflecting such amendments or changes with respect thereto;

(vii) prompt notice of any event that could reasonably be expected to materially and adversely affect the value of the Intellectual Property of Borrower;

(viii) as soon as available, but no later than thirty (30) days after the last day of each month, copies of the month-end account statements for each Collateral Account maintained by Borrower or its Subsidiaries, which statements may be provided to Collateral Agent and each Lender by Borrower or directly from the applicable institution(s), and

(ix) other information as reasonably requested by Collateral Agent or any Lender.

Notwithstanding the foregoing, documents required to be delivered pursuant to the terms hereof (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Borrower posts such documents, or provides a link thereto, on Borrower’s website on the internet at Borrower’s website address.

(b) Concurrently with the delivery of the financial statements specified in Section 6.2(a)(i) above but no later than thirty (30) days after the last day of each month, deliver to each Lender, a duly completed Compliance Certificate signed by a Responsible Officer.

(c) Keep proper books of record and account in accordance with GAAP in all material respects, in which full, true and correct entries shall be made of all dealings and transactions in relation to its business and activities. Borrower shall, and shall cause each of its Subsidiaries to, allow, at the sole cost of Borrower, Collateral Agent or any Lender, during regular business hours upon reasonable prior notice (provided that no notice shall be required when an Event of Default has occurred and is continuing), to visit and inspect any of its properties, to examine and make abstracts or copies from any of its books and records, and to conduct a collateral audit and analysis of its operations and the Collateral. Such audits shall be conducted no more often than twice every year unless (and more frequently if) an Event of Default has occurred and is continuing.

(d) Deliver to Collateral Agent and Alexandria Real Estate, as soon as available, but no later than thirty (30) days after the last day of each month in which Borrower has delivered in excess of One Hundred Thousand Dollars ($100,000.00) worth of new Collateral to the property located at the ARE Leased Location, an updated, fully comprehensive, Exhibit A to the landlord lien waiver among Alexandria Real Estate, Borrower and Collateral Agent.

6.3 Inventory; Returns. Keep all Inventory in good and marketable condition, free from material defects. Returns and allowances between Borrower, or any of its Subsidiaries, and their respective Account Debtors shall follow Borrower’s, or such Subsidiary’s, customary practices as they exist at the Effective Date. Borrower must promptly notify Collateral Agent and the Lenders of all returns, recoveries, disputes and claims that involve more than One Hundred Thousand Dollars ($100,000.00) individually or in the aggregate in any calendar year.

6.4 Taxes; Pensions. Timely file and require each of its Subsidiaries to timely file, all required tax returns and reports and timely pay, and require each of its Subsidiaries to timely file, all foreign, federal, state, and local taxes, assessments, deposits and contributions owed by Borrower or its Subsidiaries, except for deferred payment of any taxes contested pursuant to the terms of Section 5.8 hereof, and shall deliver to Lenders, on demand, appropriate certificates attesting to such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with the terms of such plans.

6.5 Insurance. Keep Borrower’s and its Subsidiaries’ business and the Collateral insured for risks and in amounts standard for companies in Borrower’s and its Subsidiaries’ industry and location and as Collateral Agent may reasonably request. Insurance policies shall be in a form, with companies, and in amounts that are reasonably satisfactory to Collateral Agent and Lenders. All property policies shall have a lender’s loss payable
endorsement showing Collateral Agent as lender loss payee and waive subrogation against Collateral Agent, and all liability policies shall show, or have
endorsements showing, Collateral Agent, as additional insured. Collateral Agent shall be named as lender loss payee and/or additional insured with respect to
any such insurance providing coverage in respect of any Collateral, and each provider of any such insurance shall agree, by endorsement upon the policy or
policies issued by it or by independent instruments furnished to Collateral Agent, that it will give Collateral Agent thirty (30) days prior written notice before
any such policy or policies shall be materially altered or canceled (but only 10 days for cancellation due to non-payment of premium). At Collateral Agent’s
request, Borrower shall deliver certified copies of policies and evidence of all premium payments. Proceeds payable under any policy shall, at Collateral
Agent’s option, be payable to Collateral Agent, for the ratable benefit of the Lenders, on account of the Obligations. Notwithstanding the foregoing, (a) so
long as no Event of Default has occurred and is continuing, Borrower shall have the option of applying the proceeds of any casualty policy up to Two
Hundred Fifty Thousand Dollars ($250,000.00) with respect to any loss, but not exceeding Two Hundred Thousand Dollars ($250,000.00), in the
aggregate for all losses under all casualty policies in any one year, toward the replacement or repair of destroyed or damaged property; provided that any such
replaced or repaired property (i) shall be of equal or like value as the replaced or repaired Collateral and (ii) shall be deemed Collateral in which Collateral
Agent has been granted a first priority security interest (subject to Permitted Liens), and (b) after the occurrence and during the continuance of an Event of
Default, all proceeds payable under such casualty policy shall, at the option of Collateral Agent, be payable to Collateral Agent, for the ratable benefit of the
Lenders, on account of the Obligations. If Borrower or any of its Subsidiaries fails to obtain insurance as required under this Section 6.5 or to pay any amount
or furnish any required proof of payment to third persons, Collateral Agent and/or any Lender may make, at Borrower’s expense, all or part of such payment
or obtain such insurance policies required in this Section 6.5, and take any action under the policies Collateral Agent or such Lender deems prudent.

6.6 Operating Accounts.

(a) Maintain Borrower’s primary and its Subsidiaries’ primary Collateral Accounts, including all securities accounts, with Bank or its Affiliates
in accounts which are subject to a Control Agreement in favor of Collateral Agent.

(b) Borrower shall provide Collateral Agent five (5) days’ prior written notice before Borrower or any of its Subsidiaries establishes any
Collateral Account at or with any Person other than Bank or its Affiliates. In addition, for each Collateral Account that Borrower or any of its Subsidiaries, at
any time maintains, Borrower or such Subsidiary shall cause the applicable bank or financial institution at or with which such Collateral Account is
maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Collateral Agent’s
Lien in such Collateral Account in accordance with the terms hereunder prior to the establishment of such Collateral Account, which Control Agreement may
not be terminated without prior written consent of Collateral Agent. The provisions of the previous sentence shall not apply to deposit accounts exclusively
used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of Borrower’s, or any of its Subsidiaries’, employees and
identified to Collateral Agent by Borrower as such in the Perfection Certificate as updated from time to time in accordance with Section 5.1.

(c) Neither Borrower nor any of its Subsidiaries shall maintain any Collateral Accounts except Collateral Accounts maintained in accordance
with Sections 6.6(a) and (b).

6.7 Protection of Intellectual Property Rights. Borrower and each of its Subsidiaries shall: (a) use commercially reasonable efforts to protect, defend
and maintain the validity and enforceability of its Intellectual Property that is material to Borrower’s business; (b) promptly advise Collateral Agent in writing
of material infringement by a third party of its Intellectual Property of which it is aware; and (c) not allow any Intellectual Property material to Borrower’s
business to be abandoned, forfeited or dedicated to the public without Collateral Agent’s prior written consent.

6.8 Litigation Cooperation. Commencing on the Effective Date and continuing through the termination of this Agreement, make available to
Collateral Agent and the Lenders, without expense to Collateral Agent or the Lenders, Borrower and each of Borrower’s officers, employees and agents and
Borrower’s Books, at reasonable times and at reasonable intervals (unless an Event of Default has occurred and is continuing, in which case the foregoing
limitations shall not apply), to the extent that Collateral Agent or any Lender may reasonably deem them necessary to prosecute or defend any third-party suit
or proceeding instituted by or against Collateral Agent or any Lender with respect to any Collateral or relating to Borrower.
6.9 Notices of Litigation and Default. Borrower will give prompt written notice to Collateral Agent and the Lenders of any litigation or governmental proceedings pending or threatened (in writing) against Borrower or any of its Subsidiaries, which could reasonably be expected to result in damages or costs to Borrower or any of its Subsidiaries of Two Hundred Fifty Thousand Dollars ($250,000.00) or more or which could reasonably be expected to have a Material Adverse Change. Without limiting or contradicting any other more specific provision of this Agreement, promptly (and in any event within three (3) Business Days) upon Borrower becoming aware of the existence of any Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default, Borrower shall give written notice to Collateral Agent and the Lenders of such occurrence, which such notice shall include a reasonably detailed description of such Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default.

6.10 [Intentionally Omitted].

6.11 Landlord Waivers; Bailee Waivers. In the event that Borrower or any of its Subsidiaries, after the Effective Date, intends to add any new offices or business locations, including warehouses, or otherwise store any portion of the Collateral with, or deliver any portion of the Collateral to, a bailee, in each case pursuant to Section 7.2, then Borrower or such Subsidiary will first receive the written consent of Collateral Agent and, in the event that the Collateral at any new location is valued in excess of Two Hundred Fifty Thousand Dollars ($250,000.00) in the aggregate when taken together with all other business locations not subject to a bailee or landlord waiver, such bailee or landlord, as applicable, must execute and deliver a bailee waiver or landlord waiver, as applicable, in form and substance reasonably satisfactory to Collateral Agent prior to the addition of any new offices or business locations, or any such storage with or delivery to any such bailee, as the case may be.

6.12 Creation/Acquisition of Subsidiaries. In the event Borrower, or any of its Subsidiaries creates or acquires any Subsidiary, Borrower shall provide prior written notice to Collateral Agent and each Lender of the creation or acquisition of such new Subsidiary and take all such action as may be reasonably required by Collateral Agent or any Lender to cause each such Subsidiary to become a co-Borrower hereunder or to guarantee the Obligations of Borrower under the Loan Documents and, in each case, grant a continuing pledge and security interest in and to the assets of such Subsidiary (substantially as described on Exhibit A hereto); and Borrower (or its Subsidiary, as applicable) shall grant and pledge to Collateral Agent, for the ratable benefit of the Lenders, a perfected security interest in the stock, units or other evidence of ownership of each such newly created Subsidiary; provided, however, that solely in the circumstance in which Borrower or any Subsidiary creates or acquires a Foreign Subsidiary in an acquisition permitted by Section 7.7 hereof or otherwise approved by the Required Lenders, (i) such Foreign Subsidiary shall not be required to guarantee the Obligations of Borrower under the Loan Documents and grant a continuing pledge and security interest in and to the assets of such Foreign Subsidiary and, (ii) Borrower shall not be required to grant and pledge to Collateral Agent, for the ratable benefit of Lenders, a perfected security interest in more than sixty five percent (65%) of the stock, units or other evidence of ownership of such Foreign Subsidiary, if Borrower demonstrates to the reasonable satisfaction of Collateral Agent that such Foreign Subsidiary providing such guarantee or pledge and security interest or Borrower providing a perfected security interest in more than sixty five percent (65%) of the stock, units or other evidence of ownership would create a present and existing adverse tax consequence to Borrower under the U.S. Internal Revenue Code.

6.13 Further Assurances.

(a) Execute any further instruments and take further action as Collateral Agent or any Lender reasonably requests to perfect or continue Collateral Agent’s Lien in the Collateral or to effect the purposes of this Agreement.

(b) Deliver to Collateral Agent and Lenders, within five (5) days after the same are sent or received, copies of all material correspondence, reports, documents and other filings with any Governmental Authority that could reasonably be expected to have a material adverse effect on any of the Governmental Approvals material to Borrower’s business or otherwise could reasonably be expected to have a Material Adverse Change.
7. **NEGATIVE COVENANTS**

Borrower shall not, and shall not permit any of its Subsidiaries to, do any of the following without the prior written consent of the Required Lenders:

7.1 **Dispositions.** Convey, sell, lease, transfer, assign, or otherwise dispose of (collectively, “Transfer”), or permit any of its Subsidiaries to Transfer, all or any part of its business or property (including without limitation, any payments or distributions pursuant to the Stockholder Tax Indemnification Plan), except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn-out or obsolete Equipment; (c) in connection with Permitted Liens, Permitted Investments and Permitted Licenses; and (d) cash payments to trade creditors in the ordinary course of business.

7.2 **Changes in Business, Management, Ownership, or Business Locations.** (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses engaged in by such entity as of the Effective Date (or such date as such entity becomes a Subsidiary) or reasonably related thereto; (b) liquidate or dissolve; or (c) (i) any Key Person shall cease to be actively engaged in the management of Borrower unless written notice thereof is provided to Collateral Agent within five (5) Business Days of such change and a replacement for such Key Person is approved by Borrower’s Board of Directors and engaged by Borrower within ninety (90) days of such change which period shall be extended to one hundred eighty (180) days if within the initial ninety (90) day period an interim replacement for such Key Person is approved by Borrower’s Board of Directors, or (ii) enter into any transaction or series of related transactions in which the stockholders of Borrower who were not stockholders immediately prior to the first such transaction own more than forty nine percent (49%) of the voting stock of Borrower immediately after giving effect to such transaction or related series of such transactions (other than by the sale of Borrower’s equity securities in a public offering, a private placement of public equity or to venture capital investors so long as Borrower identifies to Collateral Agent the venture capital investors prior to the closing of the transaction). Borrower shall not, without at least thirty (30) days’ prior written notice to Collateral Agent: (A) add any new offices or business locations, including warehouses (unless such new offices or business locations contain less than Two Hundred Fifty Thousand Dollars ($250,000.00) in assets or property of Borrower or any of its Subsidiaries in the aggregate when taken together with all other new offices and business locations not subject to a bailee or landlord agreement in favor of Collateral Agent; (B) change its jurisdiction of organization, (C) change its organizational structure or type, (D) change its legal name, or (E) change any organizational number (if any) assigned by its jurisdiction of organization.

7.3 **Mergers or Acquisitions.** Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock, shares or property of another Person, unless all Obligations are indefeasibly paid in full in cash contemporaneously with such merger or consolidation. A Subsidiary may merge or consolidate into another Subsidiary (provided such surviving Subsidiary is a “co-Borrower” hereunder or has provided a secured Guaranty of Borrower’s Obligations hereunder) or with (or into) Borrower provided Borrower is the surviving legal entity, and as long as no Event of Default is occurring prior thereto or arises as a result therefrom. Without limiting the foregoing, Borrower shall not, without Collateral Agent’s prior written consent, enter into any binding contractual arrangement with any Person to attempt to facilitate a merger or acquisition of Borrower, unless (i) no Event of Default exists when such agreement is entered into by Borrower, (ii) such agreement does not give such Person the right to claim any fees, payments or damages from Borrower in excess of Two Hundred Fifty Thousand Dollars ($250,000.00), and (iii) Borrower notifies Collateral Agent in advance of entering into such an agreement.

7.4 **Indebtedness.** Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness.

7.5 **Encumbrance.** Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for Permitted Liens, or permit any Collateral not to be subject to the first priority security interest granted herein (except for Permitted Liens that are permitted by the terms of this Agreement to have priority over Collateral Agent’s Lien), or enter into any agreement, document, instrument or other arrangement (except with or in favor of Collateral Agent, for the ratable benefit of the Lenders) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower, or any of its Subsidiaries, from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower’s or such Subsidiary’s Intellectual Property, except as is otherwise permitted in Section 7.1 hereof and the definition of “Permitted Liens” herein.
7.6 Maintenance of Collateral Accounts. Maintain any Collateral Account except pursuant to the terms of Section 6.6 hereof.

7.7 Distributions; Investments. (a) Pay any dividends (other than dividends payable solely in capital stock) or make any distribution or payment in respect of or redeem, retire or purchase any capital stock (including without limitation, any payments or distributions pursuant to the Stockholder Tax Indemnification Plan), other than repurchases pursuant to the terms of employee stock purchase plans, employee restricted stock agreements, stockholder rights plans, director or consultant stock option plans, or similar plans, provided such repurchases do not exceed Two Hundred Fifty Thousand Dollars ($250,000.00) in the aggregate per fiscal year; or (b) directly or indirectly make any Investment other than Permitted Investments, or permit any of its Subsidiaries to do so.

7.8 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower or any of its Subsidiaries, except for (a) transactions that are in the ordinary course of Borrower’s or such Subsidiary’s business, upon fair and reasonable terms that are no less favorable to Borrower or such Subsidiary than would be obtained in an arm’s length transaction with a non-affiliated Person, (b) Subordinated Debt or equity investments by Borrower’s investors in Borrower or its Subsidiaries, and (c) the Stockholder Tax Indemnification Plan so long as no payments or distributions are made thereunder until all Obligations have been indefeasibly paid in full and any obligations of Lenders to lend to Borrower have terminated.

7.9 Subordinated Debt. (a) Make or permit any payment on any Subordinated Debt, except under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof or adversely affect the subordination thereof to Obligations owed to the Lenders.

7.10 Compliance. Become an “investment company” or a company controlled by an “investment company”, under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Credit Extension for that purpose; fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or Prohibited Transaction, as defined in ERISA, to occur; fail to comply with the Federal Fair Labor Standards Act or violate any other law or regulation, if the violation could reasonably be expected to have a Material Adverse Change, or permit any of its Subsidiaries to do so; withdraw or permit any Subsidiary to withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any liability of Borrower or any of its Subsidiaries, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other Governmental Authority.

7.11 Compliance with Anti-Terrorism Laws. Collateral Agent hereby notifies Borrower and each of its Subsidiaries that pursuant to the requirements of Anti-Terrorism Laws, and Collateral Agent’s policies and practices, Collateral Agent is required to obtain, verify and record certain information and documentation that identifies Borrower and each of its Subsidiaries and their principals, which information includes the name and address of Borrower and each of its Subsidiaries and their principals and such other information that will allow Collateral Agent to identify such party in accordance with Anti-Terrorism Laws. Neither Borrower nor any of its Subsidiaries shall, nor shall Borrower or any of its Subsidiaries permit any Affiliate to, directly or indirectly, knowingly enter into any documents, instruments, agreements or contracts with any Person listed on the OFAC Lists. Borrower and each of its Subsidiaries shall immediately notify Collateral Agent if Borrower or such Subsidiary has knowledge that Borrower, or any Subsidiary or Affiliate of Borrower, is listed on the OFAC Lists or (a) is convicted on, (b) pleads nolo contendere to, (c) is indicted on, or (d) is arraigned and held over on charges involving money laundering or predicate crimes to money laundering. Neither Borrower nor any of its Subsidiaries shall, nor shall Borrower or any of its Subsidiaries, permit any Affiliate to, directly or indirectly, (i) conduct any business or engage in any transaction or dealing with any Blocked Person, including, without limitation, the making or receiving of any contribution of funds, goods or services to or for the benefit of any Blocked Person, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224 or any similar executive order or other Anti-Terrorism Law, or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in Executive Order No. 13224 or other Anti-Terrorism Law.
8. **EVENTS OF DEFAULT**

Any one of the following shall constitute an event of default (an “Event of Default”) under this Agreement:

8.1 **Payment Default.** Borrower fails to (a) make any payment of principal or interest on any Credit Extension on its due date, or (b) pay any other Obligations within three (3) Business Days after such Obligations are due and payable (which three (3) Business Day grace period shall not apply to payments due on the Maturity Date or the date of acceleration pursuant to Section 9.1 (a) hereof). During the cure period, the failure to cure the payment default is not an Event of Default (but no Credit Extension will be made during the cure period);

8.2 **Covenant Default.**

(a) Borrower or any of its Subsidiaries fails or neglects to perform any obligation in Sections 6.2 (Financial Statements, Reports, Certificates), 6.4 (Taxes), 6.5 (Insurance), 6.6 (Operating Accounts), 6.7 (Protection of Intellectual Property Rights), 6.9 (Notice of Litigation and Default), 6.11 (Landlord Waivers; Bailee Waivers), 6.12 (Creation/Acquisition of Subsidiaries) or 6.13 (Further Assurances) or Borrower violates any covenant in Section 7; or

(b) Borrower, or any of its Subsidiaries, fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any Loan Documents, and as to any default (other than those specified in this Section 8) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within ten (10) days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the ten (10) day period or cannot after diligent attempts by Borrower be cured within such ten (10) day period, and such default is likely to be cured within a reasonable time, then Borrower shall have an additional period (which shall not in any case exceed thirty (30) days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default (but no Credit Extensions shall be made during such cure period). Grace periods provided under this Section shall not apply, among other things, to financial covenants or any other covenants set forth in subsection (a) above;

8.3 **Material Adverse Change.** A Material Adverse Change occurs;

8.4 **Attachment; Levy; Restraint on Business.**

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of Borrower or any of its Subsidiaries or of any entity under control of Borrower or its Subsidiaries on deposit with any Lender or any Lender’s Affiliate or any bank or other institution at which Borrower or any of its Subsidiaries maintains a Collateral Account, or (ii) a notice of lien, levy, or assessment is filed against Borrower or any of its Subsidiaries or their respective assets by any government agency, and the same under subclauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); provided, however, no Credit Extensions shall be made during any ten (10) day cure period; and

(b) (i) any material portion of Borrower’s or any of its Subsidiaries’ assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents Borrower or any of its Subsidiaries from conducting any part of its business;

8.5 **Insolvency.** (a) Borrower or any of its Subsidiaries is or becomes Insolvent; (b) Borrower or any of its Subsidiaries begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against Borrower or any of its Subsidiaries and not dismissed or stayed within forty-five (45) days (but no Credit Extensions shall be made while Borrower or any Subsidiary is Insolvent and/or until any Insolvency Proceeding is dismissed);
8.6 Other Agreements. There is a default in any agreement to which Borrower or any of its Subsidiaries is a party with a third party or parties resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount in excess of Two Hundred Fifty Thousand Dollars ($250,000.00) or that could reasonably be expected to have a Material Adverse Change;

8.7 Judgments. One or more judgments, orders, or decrees for the payment of money in an amount, individually or in the aggregate, of at least Two Hundred Fifty Thousand Dollars ($250,000.00) (not covered by independent third-party insurance as to which liability has been accepted by such insurance carriers) shall be rendered against Borrower or any of its Subsidiaries and shall remain unsatisfied, unvacated, or unstayed for a period of ten (10) days after the entry thereof (provided that no Credit Extensions will be made prior to the satisfaction, vacation, or stay of such judgment, order or decree);

8.8 Misrepresentations. Borrower or any of its Subsidiaries or any Person acting for Borrower or any of its Subsidiaries makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Collateral Agent and/or Lenders or to induce Collateral Agent and/or the Lenders to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made;

8.9 Subordinated Debt. A default or breach occurs under any agreement between Borrower or any of its Subsidiaries and any creditor of Borrower or any of its Subsidiaries that signed a subordination, intercreditor, or other similar agreement with Collateral Agent or the Lenders, or any creditor that has signed such an agreement with Collateral Agent or the Lenders breaches any terms of such agreement;

8.10 Guaranty. (a) Any Guaranty terminates or ceases for any reason to be in full force and effect; (b) any Guarantor does not perform any obligation or covenant under any Guaranty; (c) any circumstance described in Sections 8.3, 8.4, 8.5, 8.7, or 8.8 occurs with respect to any Guarantor, or (d) the liquidation, winding up, or termination of existence of any Guarantor; or (e) a Material Adverse Change with respect to any Guarantor;

8.11 Governmental Approvals. Any Governmental Approval shall have been revoked, rescinded, suspended, modified in an adverse manner, or not renewed in the ordinary course for a full term and such revocation, rescission, suspension, modification or non-renewal has resulted in or could reasonably be expected to result in a Material Adverse Change; or

8.12 Lien Priority. Any Lien created hereunder or by any other Loan Document shall at any time fail to constitute a valid and perfected Lien on any of the Collateral purported to be secured thereby, subject to no prior or equal Lien, other than Permitted Liens which are permitted to have priority in accordance with the terms of this Agreement.

9. RIGHTS AND REMEDIES

9.1 Rights and Remedies.

(a) Upon the occurrence and during the continuance of an Event of Default, Collateral Agent may, and at the written direction of Required Lenders shall, without notice or demand, do any or all of the following: (i) deliver notice of the Event of Default to Borrower, (ii) by notice to Borrower declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 occurs all Obligations shall be immediately due and payable without any action by Collateral Agent or the Lenders) or (iii) by notice to Borrower suspend or terminate the obligations, if any, of the Lenders to advance money or extend credit for Borrower’s benefit under this Agreement or under any other agreement between Borrower and Collateral Agent and/or the Lenders (but if an Event of Default described in Section 8.5 occurs all obligations, if any, of the Lenders to advance money or extend credit for Borrower’s benefit under this Agreement or under any other agreement between Borrower and Collateral Agent and/or the Lenders shall be immediately terminated without any action by Collateral Agent or the Lenders).
Without limiting the rights of Collateral Agent and the Lenders set forth in Section 9.1(a) above, upon the occurrence and during the continuance of an Event of Default, Collateral Agent shall have the right, without notice or demand, to do any or all of the following:

(i) foreclose upon and/or sell or otherwise liquidate, the Collateral;

(ii) apply to the Obligations any (a) balances and deposits of Borrower that Collateral Agent or any Lender holds or controls, or (b) any amount held or controlled by Collateral Agent or any Lender owing to or for the credit or the account of Borrower; and/or

(iii) commence and prosecute an Insolvency Proceeding or consent to Borrower commencing any Insolvency Proceeding.

Without limiting the rights of Collateral Agent and the Lenders set forth in Sections 9.1(a) and (b) above, upon the occurrence and during the continuance of an Event of Default, Collateral Agent shall have the right, without notice or demand, to do any or all of the following:

(i) settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Collateral Agent considers advisable, notify any Person owing Borrower money of Collateral Agent’s security interest in such funds, and verify the amount of such account;

(ii) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. Borrower shall assemble the Collateral if Collateral Agent requests and make it available in a location as Collateral Agent reasonably designates. Collateral Agent may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Borrower grants Collateral Agent a license to enter and occupy any of its premises, without charge, to exercise any of Collateral Agent’s rights or remedies;

(iii) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, and/or advertise for sale, the Collateral. Collateral Agent is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, Borrower’s and each of its Subsidiaries’ labels, patents, copyrights, mask works, rights of use of any name, trade secrets, trade names, trademarks, service marks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Collateral Agent’s exercise of its rights under this Section 9.1, Borrower’s and each of its Subsidiaries’ rights under all licenses and all franchise agreements inure to Collateral Agent, for the benefit of the Lenders;

(iv) place a “hold” on any account maintained with Collateral Agent or the Lenders and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral;

(v) demand and receive possession of Borrower’s Books;

(vi) appoint a receiver to seize, manage and realize any of the Collateral, and such receiver shall have any right and authority as any competent court will grant or authorize in accordance with any applicable law, including any power or authority to manage the business of Borrower or any of its Subsidiaries;

(vii) subject to clauses 9.1(a) and (b), exercise all rights and remedies available to Collateral Agent and each Lender under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof);
application by Collateral Agent, and (b) the proceeds of any sale of, or other realization upon all or any part of the Collateral shall be applied: first, to the
reapply any and all payments received against the Obligations in such manner as Collateral Agent may deem advisable notwithstanding any previous
Borrower on the one hand and Collateral Agent and Lenders on the other, Collateral Agent shall have the continuing and exclusive right to apply and to
thereafter received by Collateral Agent from or on behalf of Borrower or any of its Subsidiaries of all or any part of the Obligations, and, as between
payments by Collateral Agent are deemed an agreement to make similar payments in the future or Collateral Agent's waiver of any Event of Default.
notwithstanding the occurrence of an Exigent Circumstance. As used in the immediately preceding sentence, “Exigent Circumstance” means any event or circumstance that, in the reasonable judgment of Collateral Agent, imminently threatens the ability of Collateral Agent to realize upon all or any material portion of the Collateral, such as, without limitation, fraudulent removal, concealment, or abscondment thereof, destruction or material waste thereof, or failure of Borrower or any of its Subsidiaries after reasonable demand to maintain or reinstate adequate casualty insurance coverage, or which, in the judgment of Collateral Agent, could reasonably be expected to result in a material diminution in value of the Collateral.

9.2 Power of Attorney. Borrower hereby irrevocably appoints Collateral Agent as its lawful attorney-in-fact, exercisable upon the occurrence and
during the continuance of an Event of Default, to: (a) endorse Borrower’s or any of its Subsidiaries’ name on any checks or other forms of payment or
security; (b) sign Borrower’s or any of its Subsidiaries’ name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) settle and
adjust disputes and claims about the Accounts directly with Account Debtors, for amounts and on terms Collateral Agent determines reasonable; (d) make,
settle, and adjust all claims under Borrower’s insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim
in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the
name of Collateral Agent or a third party as the Code or any applicable law permits. Borrower hereby appoints Collateral Agent as its lawful attorney-in-fact
to sign Borrower’s or any of its Subsidiaries’ name on any documents necessary to perfect or continue the perfection of Collateral Agent’s security interest in
the Collateral regardless of whether an Event of Default has occurred until all Obligations (other than inchoate indemnity obligations) have been satisfied in
full and Collateral Agent and the Lenders are under no further obligation to make Credit Extensions hereunder. Collateral Agent’s foregoing appointment as
Borrower’s or any of its Subsidiaries’ attorney in fact, and all of Collateral Agent’s rights and powers, coupled with an interest, are irrevocable until all
Obligations (other than inchoate indemnity obligations) have been fully repaid and performed and Collateral Agent’s and the Lenders' obligation to provide
Credit Extensions terminates.

9.3 Protective Payments. If Borrower or any of its Subsidiaries fail to obtain the insurance called for by Section 6.5 or fails to pay any premium
thereon or fails to pay any other amount which Borrower or any of its Subsidiaries is obligated to pay under this Agreement or any other Loan Document,
Collateral Agent may obtain such insurance or make such payment, and all amounts so paid by Collateral Agent are Lenders’ Expenses and immediately due
and payable, bearing interest at the Default Rate, and secured by the Collateral. Collateral Agent will make reasonable efforts to provide Borrower with notice
of Collateral Agent obtaining such insurance or making such payment at the time it is obtained or paid or within a reasonable time thereafter. No such
payments by Collateral Agent are deemed an agreement to make similar payments in the future or Collateral Agent’s waiver of any Event of Default.

9.4 Application of Payments and Proceeds. Notwithstanding anything to the contrary contained in this Agreement, upon the occurrence and during
the continuance of an Event of Default, (a) Borrower irrevocably waives the right to direct the application of any and all payments at any time or times
thereafter received by Collateral Agent from or on behalf of Borrower or any of its Subsidiaries of all or any part of the Obligations, and, as between
Borrower on the one hand and Collateral Agent and Lenders on the other, Collateral Agent shall have the continuing and exclusive right to apply and to
reapply any and all payments received against the Obligations in such manner as Collateral Agent may deem advisable notwithstanding any previous
application by Collateral Agent, and (b) the proceeds of any sale of, or other realization upon all or any part of the Collateral shall be applied: first, to the
Lenders’ Expenses; second, to accrued and unpaid interest on the Obligations (including any interest which, but for the provisions of the United States Bankruptcy Code, would have accrued on such amounts); third, to the principal amount of the Obligations outstanding; and fourth, to any other indebtedness or obligations of Borrower owing to Collateral Agent or any Lender under the Loan Documents. Any balance remaining shall be delivered to Borrower or to whoever may be lawfully entitled to receive such balance or as a court of competent jurisdiction may direct. In carrying out the foregoing, (x) amounts received shall be applied in the numerical order provided until exhausted prior to the application to the next succeeding category, and (y) each of the Persons entitled to receive a payment in any particular category shall receive an amount equal to its pro rata share of amounts available to be applied pursuant thereto for such category. Any reference in this Agreement to an allocation between or sharing by the Lenders of any right, interest or obligation “ratably,” “proportionally” or in similar terms shall refer to Pro Rata Share unless expressly provided otherwise. Collateral Agent, or if applicable, each Lender, shall promptly remit to the other Lenders such sums as may be necessary to ensure the ratable repayment of each Lender’s portion of any Term Loan and the ratable distribution of interest, fees and reimbursements paid or made by Borrower. Notwithstanding the foregoing, a Lender receiving a scheduled payment shall not be responsible for determining whether the other Lenders also received their scheduled payment on such date; provided, however, if it is later determined that a Lender received more than its ratable share of scheduled payments made on any date or dates, then such Lender shall remit to Collateral Agent or other Lenders such sums as may be necessary to ensure the ratable payment of such scheduled payments, as instructed by Collateral Agent. If any payment or distribution of any kind or character, whether in cash, properties or securities, shall be received by a Lender in excess of its ratable share, then the portion of such payment or distribution in excess of such Lender’s ratable share shall be received by such Lender in trust for and shall be promptly paid over to the other Lender for application to the payments of amounts due on the other Lenders’ claims. To the extent any payment for the account of Borrower is required to be returned as a voidable transfer or otherwise, the Lenders shall contribute to one another as is necessary to ensure that such return of payment is on a pro rata basis. If any Lender shall obtain possession of any Collateral, it shall hold such Collateral for itself and as agent and bailee for Collateral Agent and other Lenders for purposes of perfecting Collateral Agent’s security interest therein.

9.5 Liability for Collateral. So long as Collateral Agent and the Lenders comply with reasonable banking practices regarding the safekeeping of the Collateral in the possession or under the control of Collateral Agent and the Lenders, Collateral Agent and the Lenders shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Borrower bears all risk of loss, damage or destruction of the Collateral.

9.6 No Waiver; Remedies Cumulative. Failure by Collateral Agent or any Lender, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Collateral Agent or any Lender thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by Collateral Agent and the Required Lenders and then is only effective for the specific instance and purpose for which it is given. The rights and remedies of Collateral Agent and the Lenders under this Agreement and the other Loan Documents are cumulative. Collateral Agent and the Lenders have all rights and remedies provided under the Code, any applicable law, by law, or in equity. The exercise by Collateral Agent or any Lender of one right or remedy is not an election, and Collateral Agent’s or any Lender’s waiver of any Event of Default is not a continuing waiver. Collateral Agent’s or any Lender’s delay in exercising any remedy is not a waiver, election, or acquiescence.

9.7 Demand Waiver. Borrower waives, to the fullest extent permitted by law, demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Collateral Agent or any Lender on which Borrower or any Subsidiary is liable.
11. CHOICE OF LAW, VENUE AND JURY TRIAL WAIVER

New York law governs the Loan Documents without regard to principles of conflicts of law. Borrower, Lenders and Collateral Agent each submit to the exclusive jurisdiction of the State and Federal courts in the City of New York, Borough of Manhattan. NOTWITHSTANDING THE FOREGOING, COLLATERAL AGENT AND THE LENDERS SHALL HAVE THE RIGHT TO BRING ANY ACTION OR PROCEEDING AGAINST BORROWER OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION WHICH COLLATERAL AGENT AND THE LENDERS (IN ACCORDANCE WITH THE PROVISIONS OF SECTION 9.1) DEEM NECESSARY OR APPROPRIATE TO REALIZE ON THE COLLATERAL OR TO OTHERWISE ENFORCE COLLATERAL AGENT’S AND THE LENDERS’ RIGHTS AGAINST BORROWER OR ITS PROPERTY. Borrower expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and Borrower hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Borrower hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by
12. GENERAL PROVISIONS

12.1 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not transfer, pledge or assign this Agreement or any rights or obligations under it without Collateral Agent’s and each Lender’s prior written consent (which may be granted or withheld in Collateral Agent’s and each Lender’s discretion, subject to Section 12.6). The Lenders have the right, without the consent of or notice to Borrower, to sell, transfer, assign, pledge, negotiate, or grant participation in (any such sale, transfer, assignment, negotiation, or grant of a participation, a “Lender Transfer”) all or any part of, or any interest in, the Lenders’ obligations, rights, and benefits under this Agreement and the other Loan Documents; provided, however, that any such Lender Transfer (other than a transfer, pledge, sale or assignment to an Eligible Assignee) of its obligations, rights, and benefits under this Agreement and the other Loan Documents shall require the prior written consent of the Required Lenders (such approved assignee, an “Approved Lender”). Borrower and Collateral Agent shall be entitled to continue to deal solely and directly with such Lender in connection with the interests so assigned until Collateral Agent shall have received and accepted an effective assignment agreement in form satisfactory to Collateral Agent executed, delivered and fully completed by the applicable parties thereto, and shall have received such other information regarding such Eligible Assignee or Approved Lender as Collateral Agent reasonably shall require. Notwithstanding anything to the contrary contained herein, so long as no Event of Default has occurred and is continuing, no Lender Transfer (other than a Lender Transfer (i) in respect of the Warrants or (ii) in connection with (x) assignments by a Lender due to a forced divestiture at the request of any regulatory agency; or (y) upon the occurrence of a default, event of default or similar occurrence with respect to a Lender’s own financing or securitization transactions) shall be permitted, without Borrower’s consent, to any Person which is an Affiliate or Subsidiary of Borrower, a direct competitor of Borrower or a vulture hedge fund, each as determined by Collateral Agent.

12.2 Indemnification. Borrower agrees to indemnify, defend and hold Collateral Agent and the Lenders and their respective directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Collateral Agent or the Lenders (each, an “Indemnified Person”) harmless against: (a) all obligations, demands, claims, and liabilities (collectively, “Claims”) asserted by any other party in connection with; related to; following; or arising from, out of or under, the transactions contemplated by the Loan Documents; and (b) all losses or Lenders’ Expenses incurred, or paid by Indemnified Person in connection with; related to; following; or arising from, out of or under, the transactions contemplated by the Loan Documents between Collateral Agent, and/or the Lenders and Borrower (including reasonable attorneys’ fees and expenses), except for Claims and/or losses directly caused by such Indemnified Person’s gross negligence or willful misconduct. Borrower hereby further indemnifies, defends and holds each Indemnified Person harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including the fees and disbursements of counsel for such Indemnified Person) in connection with any investigative, response, remedial, administrative or judicial matter or proceeding, whether or not such Indemnified Person shall be designated a party thereto and including any such proceeding initiated by or on behalf of Borrower, and the reasonable expenses of investigation by engineers, environmental consultants and similar technical personnel and any commission, fee or compensation claimed by any broker (other than any broker retained by Collateral Agent or Lenders) asserting any right to payment for the transactions contemplated hereby which may be imposed on, incurred by or asserted against such Indemnified Person as a result of or in connection with the transactions contemplated hereby and the use or intended use of the proceeds of the loan proceeds except for liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements directly caused by such Indemnified Person’s gross negligence or willful misconduct.
12.3 **Time of Essence.** Time is of the essence for the performance of all Obligations in this Agreement.

12.4 **Severability of Provisions.** Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12.5 **Correction of Loan Documents.** Collateral Agent and the Lenders may correct patent errors and fill in any blanks in this Agreement and the other Loan Documents consistent with the agreement of the parties.

12.6 **Amendments in Writing; Integration.** (a) No amendment, modification, termination or waiver of any provision of this Agreement or any other Loan Document, no approval or consent thereunder, or any consent to any departure by Borrower or any of its Subsidiaries therefrom, shall in any event be effective unless the same shall be in writing and signed by Borrower, Collateral Agent and the Required Lenders provided that:

(i) no such amendment, waiver or other modification that would have the effect of increasing or reducing a Lender’s Term Loan Commitment or Commitment Percentage shall be effective as to such Lender without such Lender’s written consent;

(ii) no such amendment, waiver or modification that would affect the rights and duties of Collateral Agent shall be effective without Collateral Agent’s written consent or signature;

(iii) no such amendment, waiver or other modification shall, unless signed by all the Lenders directly affected thereby, (A) reduce the principal of, rate of interest on or any fees with respect to any Term Loan or forgive any principal, interest (other than default interest) or fees (other than late charges) with respect to any Term Loan (B) postpone the date fixed for, or waive, any payment of principal of any Term Loan or of interest on any Term Loan (other than default interest) or any fees provided for hereunder (other than late charges or for any termination of any commitment); (C) change the definition of the term “Required Lenders” or the percentage of Lenders which shall be required for the Lenders to take any action hereunder; (D) release all or substantially all of any material portion of the Collateral, authorize Borrower to sell or otherwise dispose of all or substantially all or any material portion of the Collateral or release any Guarantor of all or any portion of the Obligations or its guaranty obligations with respect thereto, except, in each case with respect to this clause (D), as otherwise may be expressly permitted under this Agreement or the other Loan Documents (including in connection with any disposition permitted hereunder); (E) amend, waive or otherwise modify this Section 12.6 or the definitions of the terms used in this Section 12.6 insofar as the definitions affect the substance of this Section 12.6; (F) consent to the assignment, delegation or other transfer by Borrower of any of its rights and obligations under any Loan Document or release Borrower of its payment obligations under any Loan Document, except, in each case with respect to this clause (F), pursuant to a merger or consolidation permitted pursuant to this Agreement; (G) amend any of the provisions of Section 9.4 or amend any of the definitions of Pro Rata Share, Term Loan Commitment, Commitment Percentage or that provide for the Lenders to receive their Pro Rata Shares of any fees, payments, setoffs or proceeds of Collateral hereunder; (H) subordinate the Liens granted in favor of Collateral Agent securing the Obligations; or (I) amend any of the provisions of Section 12.10. It is hereby understood and agreed that all Lenders shall be deemed directly affected by an amendment, waiver or other modification of the type described in the preceding clauses (C), (D), (E), (F), (G) and (H) of the preceding sentence;

(iv) the provisions of the foregoing clauses (i), (ii) and (iii) are subject to the provisions of any interlender or agency agreement among the Lenders and Collateral Agent pursuant to which any Lender may agree to give its consent in connection with any amendment, waiver or modification of the Loan Documents only in the event of the unanimous agreement of all Lenders.

(b) Other than as expressly provided for in Section 12.6(a)(i)-(iii), Collateral Agent may, if requested by the Required Lenders, from time to time designate covenants in this Agreement less restrictive by notification to a representative of Borrower.
(c) This Agreement and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Agreement and the Loan Documents merge into this Agreement and the Loan Documents.

12.7 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

12.8 Survival. All covenants, representations and warranties made in this Agreement continue in full force and effect until this Agreement has terminated pursuant to its terms and all Obligations (other than inchoate indemnity obligations and any other obligations which, by their terms, are to survive the termination of this Agreement) have been satisfied. Without limiting the foregoing, the grant of security interest by Borrower in Section 4.1 shall survive until the termination of all Bank Services Agreements unless Borrower shall provide cash collateral for such Bank Services Agreements as required in Section 4.1. The obligation of Borrower in Section 12.7 to indemnify each Lender and Collateral Agent, as well as the confidentiality provisions in Section 12.9 below, shall survive until the statute of limitations with respect to such claim or cause of action shall have run.

12.9 Confidentiality. In handling any confidential information of Borrower, the Lenders and Collateral Agent shall exercise the same degree of care that it exercises for their own proprietary information, but disclosure of information may be made: (a) subject to the terms and conditions of this Agreement, to the Lenders’ and Collateral Agent’s Subsidiaries or Affiliates, or in connection with a Lender’s own financing or securitization transactions and upon the occurrence of a default, event of default or similar occurrence with respect to such financing or securitization transaction; (b) to prospective transferees (other than those identified in (a) above) or purchasers of any interest in the Credit Extensions (provided, however, the Lenders and Collateral Agent shall, except upon the occurrence and during the continuance of an Event of Default, obtain such prospective transferee’s or purchaser’s agreement to the terms of this provision or to similar confidentiality terms); (c) as required by law, regulation, subpoena, or other order; (d) to Lenders’ or Collateral Agent’s regulators or as otherwise required in connection with an examination or audit; (e) as Collateral Agent reasonably considers appropriate in exercising remedies under the Loan Documents; and (f) to third party service providers of the Lenders and/or Collateral Agent so long as such service providers have executed a confidentiality agreement with the Lenders and Collateral Agent with terms no less restrictive than those contained herein. Confidential information does not include information that either: (i) is in the public domain or in the Lenders’ and/or Collateral Agent’s possession when disclosed to the Lenders and/or Collateral Agent, or becomes part of the public domain after disclosure to the Lenders and/or Collateral Agent; or (ii) is disclosed to the Lenders and/or Collateral Agent by a third party, if the Lenders and/or Collateral Agent does not know that the third party is prohibited from disclosing the information. Collateral Agent and the Lenders may use confidential information for any purpose, including, without limitation, for the development of client databases, reporting purposes, and market analysis. The provisions of the immediately preceding sentence shall survive the termination of this Agreement. The agreements provided under this Section 12.9 supersede all prior agreements, understanding, representations, warranties, and negotiations between the parties about the subject matter of this Section 12.9.

12.10 Right of Set Off. Borrower hereby grants to Collateral Agent and to each Lender, a lien, security interest and right of set off as security for all Obligations to Collateral Agent and each Lender hereunder, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Collateral Agent or the Lenders or any entity under the control of Collateral Agent or the Lenders (including a Collateral Agent affiliate) or in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Collateral Agent or the Lenders may set off the same or any part thereof and apply the same to any liability or obligation of Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE COLLATERAL AGENT TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.
12.11 Silicon Valley Bank as Agent. Collateral Agent hereby appoints Silicon Valley Bank (“SVB”) as its agent (and SVB hereby accepts such appointment) for the purpose of perfecting Collateral Agent’s Liens in assets which, in accordance with Article 8 or Article 9, as applicable, of the Code can be perfected by possession or control, including without limitation, all Deposit Accounts maintained at SVB.

12.12 Cooperation of Borrower. If necessary, Borrower agrees to (i) execute any documents (including new Secured Promissory Notes) reasonably required to effectuate and acknowledge each assignment of a Term Loan Commitment or Loan to an assignee in accordance with Section 12.1, (ii) make Borrower’s management available to meet with Collateral Agent and prospective participants and assignees of Term Loan Commitments or Credit Extensions (which meetings shall be conducted no more often than twice every twelve months unless an Event of Default has occurred and is continuing), and (iii) assist Collateral Agent or the Lenders in the preparation of information relating to the financial affairs of Borrower as any prospective participant or assignee of a Term Loan Commitment or Term Loan reasonably may request. Subject to the provisions of Section 12.9, Borrower authorizes each Lender to disclose to any prospective participant or assignee of a Term Loan Commitment, any and all information in such Lender’s possession concerning Borrower and its financial affairs which has been delivered to such Lender by or on behalf of Borrower pursuant to this Agreement, or which has been delivered to such Lender by or on behalf of Borrower in connection with such Lender’s credit evaluation of Borrower prior to entering into this Agreement.

13. DEFINITIONS

13.1 Definitions. As used in this Agreement, the following terms have the following meanings:

“Account” is any “account” as defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to Borrower.

“Account Debtor” is any “account debtor” as defined in the Code with such additions to such term as may hereafter be made.

“Affiliate” of any Person is a Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person’s senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person’s managers and members.

“Agreement” is defined in the preamble hereof.

“Alexandria Real Estate” means ARE-MA Region No. 38, LLC, a Delaware limited liability company.

“Amortization Date” is November 1, 2016.

“Annual Projections” is defined in Section 6.2(a).

“Anti-Terrorism Laws” are any laws relating to terrorism or money laundering, including Executive Order No. 13224 (effective September 24, 2001), the USA PATRIOT Act, the laws comprising or implementing the Bank Secrecy Act, and the laws administered by OFAC.

“Approved Fund” is any (i) investment company, fund, trust, securitization vehicle or conduit that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business or (ii) any Person (other than a natural person) which temporarily warehouses loans for any Lender or any entity described in the preceding clause (i) and that, with respect to each of the preceding clauses (i) and (ii), is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) a Person (other than a natural person) or an Affiliate of a Person (other than a natural person) that administers or manages a Lender.

“Approved Lender” is defined in Section 12.1.
“ARE Leased Location” means Borrower’s leased premises located at 215 First Street, Cambridge, Massachusetts.

“Bank Services” are any products, credit services, and/or financial accommodations previously, now, or hereafter provided to Borrower or any of its Subsidiaries by Bank or any Bank Affiliate, including, without limitation, any letters of credit, cash management services (including, without limitation, merchant services, direct deposit of payroll, business credit cards, and check cashing services), interest rate swap arrangements, and foreign exchange services as any such products or services may be identified in Bank’s various agreements related thereto (each, a “Bank Services Agreement”).

“Bank” is defined in the preamble hereof.

“Basic Rate” is, with respect to a Term Loan, the per annum rate of interest (based on a year of three hundred sixty (360) days) equal to the greater of (i) seven and fifty-eight hundredths of one percent (7.58%) and (ii) the sum of (a) the three (3) month U.S. LIBOR rate reported in the Wall Street Journal five (5) Business Days prior to the Funding Date of such Term Loan, plus (b) six and ninety-six hundredths of one percent (6.96%).

“Blocked Person” is any Person: (a) listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224, (b) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224, (c) a Person with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law, (d) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in Executive Order No. 13224, or (e) a Person that is named a “specially designated national” or “blocked person” on the most current list published by OFAC or other similar list.

“Borrower” is defined in the preamble hereof.

“Borrower’s Books” are Borrower’s or any of its Subsidiaries’ books and records including ledgers, federal, and state tax returns, records regarding Borrower’s or its Subsidiaries’ assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

“Business Day” is any day that is not a Saturday, Sunday or a day on which Collateral Agent is closed.

“Cash Equivalents” are (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having the highest rating from either Standard & Poor’s Ratings Group or Moody’s Investors Service, Inc., and (c) certificates of deposit maturing no more than one (1) year after issue provided that the account in which any such certificate of deposit is maintained is subject to a Control Agreement in favor of Collateral Agent. For the avoidance of doubt, the direct purchase by Borrower or any of its Subsidiaries of any Auction Rate Securities, or purchasing participations in, or entering into any type of swap or other derivative transaction, or otherwise holding or engaging in any ownership interest in any type of Auction Rate Security by Borrower or any of its Subsidiaries shall be conclusively determined by the Lenders as an ineligible Cash Equivalent, and any such transaction shall expressly violate each other provision of this Agreement governing Permitted Investments. Notwithstanding the foregoing, Cash Equivalents does not include and Borrower, and each of its Subsidiaries, are prohibited from purchasing, purchasing participations in, entering into any type of swap or other equivalent derivative transaction, or otherwise holding or engaging in any ownership interest in any type of debt instrument, including, without limitation, any corporate or municipal bonds with a long-term nominal maturity for which the interest rate is reset through a dutch auction and more commonly referred to as an auction rate security (each, an “Auction Rate Security”).

“Claims” are defined in Section 12.2.
“Code” is the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of New York; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Collateral Agent’s Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of New York, the term “Code” shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

“Collateral” is any and all properties, rights and assets of Borrower described on Exhibit A.

“Collateral Account” is any Deposit Account, Securities Account, or Commodity Account, or any other bank account maintained by Borrower or any Subsidiary at any time.

“Collateral Agent” is, Oxford, not in its individual capacity, but solely in its capacity as agent on behalf of and for the benefit of the Lenders.

“Commitment Percentage” is set forth in Schedule 1.1, as amended from time to time.

“Commodity Account” is any “commodity account” as defined in the Code with such additions to such term as may hereafter be made.

“Communication” is defined in Section 10.

“Compliance Certificate” is that certain certificate in the form attached hereto as Exhibit C.

“Contingent Obligation” is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation directly or indirectly guaranteed, endorsed, co-made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but “Contingent Obligation” does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

“Control Agreement” is any control agreement entered into among the depository institution at which Borrower or any of its Subsidiaries maintains a Deposit Account or the securities intermediary or commodity intermediary at which Borrower or any of its Subsidiaries maintains a Securities Account or a Commodity Account, Borrower and such Subsidiary, and Collateral Agent pursuant to which Collateral Agent obtains control (within the meaning of the Code) for the benefit of the Lenders over such Deposit Account, Securities Account, or Commodity Account.

“Copyrights” are any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

“Credit Extension” is any Term Loan or any other extension of credit by Collateral Agent or Lenders for Borrower’s benefit.

“Default Rate” is defined in Section 2.3(b).

“Deposit Account” is any “deposit account” as defined in the Code with such additions to such term as may hereafter be made.
“Designated Deposit Account” is Borrower’s deposit account, account number ******8109, maintained with Bank.

“Disbursement Letter” is that certain form attached hereto as Exhibit B-1.

“Dollar Equivalent” is, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in a Foreign Currency, the equivalent amount therefor in Dollars as determined by Bank at such time on the basis of the then-prevailing rate of exchange in San Francisco, California, for sales of the Foreign Currency for transfer to the country issuing such Foreign Currency.

“Dollars,” “dollars” and “$” each mean lawful money of the United States.

“Effective Date” is defined in the preamble of this Agreement.

“Eligible Assignee” is (i) a Lender, (ii) an Affiliate of a Lender, (iii) an Approved Fund and (iv) any commercial bank, savings and loan association or savings bank or any other entity which is an “accredited investor” (as defined in Regulation D under the Securities Act of 1933, as amended) and which extends credit or buys loans as one of its businesses, including insurance companies, mutual funds, lease financing companies and commercial finance companies, in each case, which either (A) has a rating of BBB or higher from Standard & Poor’s Rating Group and a rating of Baa2 or higher from Moody’s Investors Service, Inc. at the date that it becomes a Lender or (B) has total assets in excess of Five Billion Dollars ($5,000,000,000.00), and in each case of clauses (i) through (iv), which, through its applicable lending office, is capable of lending to Borrower without the imposition of any withholding or similar taxes; provided that notwithstanding the foregoing, “Eligible Assignee” shall not include, unless an Event of Default has occurred and is continuing, (i) Borrower or any of Borrower’s Affiliates or Subsidiaries or (ii) a direct competitor of Borrower or a vulture hedge fund, each as determined by Collateral Agent. Notwithstanding the foregoing, (x) in connection with assignments by a Lender due to a forced divestiture at the request of any regulatory agency, the restrictions set forth herein shall not apply and Eligible Assignee shall mean any Person or party and (y) in connection with a Lender’s own financing or securitization transactions, the restrictions set forth herein shall not apply and Eligible Assignee shall mean any Person or party providing such financing or formed to undertake such securitization transaction and any transferee of such Person or party upon the occurrence of a default, event of default or similar occurrence with respect to such financing or securitization transaction; provided that no such sale, transfer, pledge or assignment under this clause (y) shall release such Lender from any of its obligations hereunder or substitute any such Person or party for such Lender as a party hereto until Collateral Agent shall have received and accepted an effective assignment agreement from such Person or party in form satisfactory to Collateral Agent executed, delivered and fully completed by the applicable parties thereto, and shall have received such other information regarding such Eligible Assignee as Collateral Agent reasonably shall require.

“Equipment” is all “equipment” as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

“ERISA” is the Employee Retirement Income Security Act of 1974, as amended, and its regulations.

“Event of Default” is defined in Section 8.

“Existing Indebtedness” is the Indebtedness of Borrower as of the Effective Date in the amount of Eleven Million Seven Hundred Nineteen Thousand Four Hundred Seventy-Nine and 51/100 Dollars ($11,719,479.51), which consists of an aggregate principal outstanding amount of Ten Million Eight Hundred Thirty-Five Thousand Three Hundred One and 06/100 Dollars ($10,835,301.06) and the accrued portion of a final payment in the amount of Eight Hundred Eighty-Four Thousand One Hundred Seventy-Eight and 45/100 Dollars ($884,178.45), pursuant to that certain Loan and Security Agreement dated as of June 28, 2013 by and among Oxford Finance LLC, as collateral agent, Silicon Valley Bank and the other lenders party thereto and Borrower.
“Final Payment” is a payment (in addition to and not a substitution for the regular monthly payments of principal and accrued interest) due on the earliest to occur of (a) the Maturity Date, or (b) the acceleration of any Term Loan, or (c) the prepayment of a Term Loan pursuant to Section 2.2(c) or (d), equal to the aggregate Term Loan Commitment multiplied by the Final Payment Percentage, payable to Lenders in accordance with their respective Pro Rata Shares.

“Final Payment Percentage” is five percent (5.00%).

“Foreign Currency” means lawful money of a country other than the United States.

“Foreign Subsidiary” is a Subsidiary that is not an entity organized under the laws of the United States or any territory thereof.

“Funding Date” is any date on which a Credit Extension is made to or on account of Borrower which shall be a Business Day.

“FX Contract” is any foreign exchange contract by and between Borrower and Bank under which Borrower commits to purchase from or sell to Bank a specific amount of Foreign Currency on a specified date.

“GAAP” is generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession in the United States, which are applicable to the circumstances as of the date of determination.

“General Intangibles” are all “general intangibles” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation, all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work, whether published or unpublished, any patents, trademarks, service marks and, to the extent permitted under applicable law, any applications therefor, whether registered or not, any trade secret rights, including any rights to unpatented inventions, payment intangibles, royalties, contract rights, goodwill, franchise agreements, purchase orders, customer lists, route lists, telephone numbers, domain names, claims, income and other tax refunds, security and other deposits, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

“Governmental Approval” is any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

“Guarantor” is any Person providing a Guaranty in favor of Collateral Agent.

“Guaranty” is any guarantee of all or any part of the Obligations, as the same may from time to time be amended, restated, modified or otherwise supplemented.

“Indebtedness” is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, and (d) Contingent Obligations.

“Indemnified Person” is defined in Section 12.2.
“Insolvency Proceeding” is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

“Insolvent” means not Solvent.

“Intellectual Property” means all of Borrower’s or any Subsidiary’s right, title and interest in and to the following:

(a) its Copyrights, Trademarks and Patents;
(b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how, operating manuals;
(c) any and all source code;
(d) any and all design rights which may be available to Borrower;
(e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and
(f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

“Inventory” is all “inventory” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of any Person’s custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

“Investment” is any beneficial ownership interest in any Person (including stock, partnership interest or other securities), and any loan, advance, payment or capital contribution to any Person.

“Key Person” is each of Borrower’s (i) Chief Executive Officer, who is Keith Dionne as of the Effective Date, (ii) Chief Financial Officer, who is Matthias Jaffe as of the Effective Date and (iii) Chief Science Officer, who is James Audia as of the Effective Date.

“Lender” is any one of the Lenders.

“Lenders” are the Persons identified on Schedule 1.1 hereto and each assignee that becomes a party to this Agreement pursuant to Section 12.1.

“Lenders’ Expenses” are all audit fees and expenses, costs, and expenses (including reasonable attorneys’ fees and expenses, as well as appraisal fees, fees incurred on account of lien searches, inspection fees, and filing fees) for preparing, amending, negotiating, administering, defending and enforcing the Loan Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred by Collateral Agent and/or the Lenders in connection with the Loan Documents.

“Letter of Credit” is a standby or commercial letter of credit issued by Bank upon request of Borrower based upon an application, guarantee, indemnity, or similar agreement.

“Lien” is a claim, mortgage, deed of trust, levy, charge, pledge, security interest, or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.
"Loan Documents" are, collectively, this Agreement, the Warrants, the Perfection Certificates, each Compliance Certificate, each Disbursement Letter, each Loan Payment/Advance Request Form, any Bank Services Agreement, the Post Closing Letter, any subordination agreements, any note, or notes or guaranties executed by Borrower or any other Person, and any present or future agreement entered into by Borrower, any Guarantor or any other Person for the benefit of the Lenders and Collateral Agent in connection with this Agreement; all as amended, restated, or otherwise modified.

"Loan Payment/Advance Request Form" is that certain form attached hereto as Exhibit B-2.

"Material Adverse Change" is (a) a material impairment in the perfection or priority of Collateral Agent’s Lien in the Collateral or in the value of such Collateral; (b) a material adverse change in the business, operations or condition (financial or otherwise) of Borrower or any Subsidiary; or (c) a material impairment of the prospect of repayment of any portion of the Obligations.

"Maturity Date" is, for each Term Loan, July 1, 2018.

"Obligations" are all of Borrower’s obligations to pay when due any debts, principal, interest, Lenders’ Expenses, the Prepayment Fee, the Final Payment, and other amounts Borrower owes the Lenders now or later, in connection with, related to, following, or arising from, out of or under, this Agreement or, the other Loan Documents (other than the Warrants), or otherwise, including, without limitation, all obligations relating to letters of credit (including reimbursement obligations for drawn and undrawn letters of credit), cash management services, and foreign exchange contracts, if any, and including interest accruing after Insolvency Proceedings begin (whether or not allowed) and debts, liabilities, or obligations of Borrower assigned to the Lenders and/or Collateral Agent, and the performance of Borrower’s duties under the Loan Documents (other than the Warrants).

"OFAC" is the U.S. Department of Treasury Office of Foreign Assets Control.

"OFAC Lists" are, collectively, the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) and/or any other list of terrorists or other restricted Persons maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Executive Orders.

"Operating Documents" are, for any Person, such Person’s formation documents, as certified by the Secretary of State (or equivalent agency) of such Person’s jurisdiction of organization on a date that is no earlier than thirty (30) days prior to the Effective Date, and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

"Patents" means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

"Payment Date" is the first (1st) calendar day of each calendar month, commencing on May 1, 2016.

"Perfection Certificate" and "Perfection Certificates" is defined in Section 5.1.

"Permitted Indebtedness" is:

(a) Borrower’s Indebtedness to the Lenders and Collateral Agent under this Agreement and the other Loan Documents;
(b) Indebtedness existing on the Effective Date and disclosed on the Perfection Certificate(s);
(c) Subordinated Debt;
(d) unsecured Indebtedness to trade creditors incurred in the ordinary course of business;

(e) Indebtedness consisting of capitalized lease obligations and purchase money Indebtedness, in each case incurred by Borrower or any of its Subsidiaries to finance the acquisition, repair, improvement or construction of fixed or capital assets of such person, provided that (i) the aggregate outstanding principal amount of all such Indebtedness does not exceed Two Hundred Fifty Thousand Dollars ($250,000.00) at any time and (ii) the principal amount of such Indebtedness does not exceed the lower of the cost or fair market value of the property so acquired or built or of such repairs or improvements financed with such Indebtedness (each measured at the time of such acquisition, repair, improvement or construction is made);

(f) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of Borrower’s business;

(g) Indebtedness to SVB in respect of Bank Services in an amount not to exceed (i) Two Hundred Eighty-Three Thousand Dollars ($283,000.00) in the aggregate at any time in respect of Letters of Credit, and (ii) One Hundred Fifty Thousand Dollars ($150,000.00) in the aggregate at any time in respect of Bank Services for corporate credit cards;

(h) Contingent Obligations pursuant to the Stockholder Tax Indemnification Plan so long as no payments or distributions are made thereunder until all Obligations have been indefeasibly paid in full and any obligations of Lenders to lend to Borrower have terminated; and

(i) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness (a) through (e) above, provided that the principal amount thereof is not increased or the terms thereof are not modified to impose materially more burdensome terms upon Borrower, its Subsidiary, or its Subsidiary, as the case may be.

“Permitted Investments” are:

(a) Investments disclosed on the Perfection Certificate(s) and existing on the Effective Date;

(b) (i) Investments consisting of cash and Cash Equivalents, and (ii) any Investments permitted by Borrower’s investment policy, as amended from time to time, provided that such investment policy (and any such amendment thereto) has been approved in writing by Collateral Agent;

(c) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of Borrower;

(d) Investments consisting of Deposit Accounts in which Collateral Agent has a perfected security interest;

(e) Investments in connection with Transfers permitted by Section 7.1;

(f) Investments consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the ordinary course of business, and (ii) loans to employees, officers or directors relating to the purchase of equity securities of Borrower or its Subsidiaries pursuant to employee stock purchase plans or agreements approved by Borrower’s Board of Directors not to exceed Fifty Thousand Dollars ($50,000.00) in the aggregate for (i) and (ii) in any fiscal year;

(g) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business;
(h) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business; provided that this paragraph (h) shall not apply to Investments of Borrower in any Subsidiary; and

(i) non-cash Investments in joint ventures or strategic alliances in the ordinary course of Borrower’s business consisting of the non-exclusive licensing of technology, the development of technology or the providing of technical support.

“Permitted Licenses” are (A) licenses of over-the-counter software that is commercially available to the public, and (B) non-exclusive and exclusive licenses for the use of the Intellectual Property of Borrower or any of its Subsidiaries entered into in the ordinary course of business, provided, that, with respect to each such license described in clause (B), (i) no Event of Default has occurred or is continuing at the time of such license; (ii) the license constitutes an arms-length transaction, the terms of which, on their face, do not provide for a sale or assignment of any Intellectual Property and do not restrict the ability of Borrower or any of its Subsidiaries, as applicable, to pledge, grant a security interest in or lien on, or assign or otherwise Transfer any Intellectual Property; (iii) in the case of any exclusive license, (x) Borrower delivers ten (10) days’ prior written notice and a brief summary of the terms of the proposed license to Collateral Agent and the Lenders and delivers to Collateral Agent and the Lenders copies of the final executed licensing documents in connection with the exclusive license promptly upon consummation thereof, and (y) any such license could not result in a legal transfer of title of the licensed property but may be exclusive in respects other than territory and may be exclusive as to territory only as to discrete geographical areas outside of the United States; and (iv) all upfront payments, royalties, milestone payments or other proceeds arising from the licensing agreement that are payable to Borrower or any of its Subsidiaries are paid to a Deposit Account that is governed by a Control Agreement.

“Permitted Liens” are:

(a) Liens existing on the Effective Date and disclosed on the Perfection Certificates or arising under this Agreement and the other Loan Documents;

(b) Liens for taxes, fees, assessments or other government charges or levies, either (i) not due and payable or (ii) being contested in good faith and for which Borrower maintains adequate reserves on its Books, provided that no notice of any such Lien has been filed or recorded under the Internal Revenue Code of 1986, as amended, and the Treasury Regulations adopted thereunder;

(c) liens securing Indebtedness permitted under clause (e) of the definition of “Permitted Indebtedness,” provided that (i) such liens exist prior to the acquisition of, or attach substantially simultaneous with, or within twenty (20) days after the, acquisition, lease, repair, improvement or construction of, such property financed or leased by such Indebtedness and (ii) such liens do not extend to any property of Borrower other than the property (and proceeds thereof) acquired, leased or built, or the improvements or repairs, financed by such Indebtedness;

(d) Liens of carriers, mechanics, materialmen, warehousemen, suppliers, or other Persons that are possessory in nature arising in the ordinary course of business so long as such Liens attach only to Inventory, securing liabilities in the aggregate amount not to exceed Twenty Five Thousand Dollars ($25,000.00), and which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto;

(e) Liens to secure payment of workers’ compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed by ERISA);

(f) Liens incurred in the extension, renewal or refinancing of the indebtedness secured by Liens described in (a) through (c), but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not increase;
(g) leases or subleases of real property granted in the ordinary course of Borrower’s business (or, if referring to another Person, in the ordinary course of such Person’s business), and leases, subleases, non-exclusive licenses or sublicenses of personal property (other than Intellectual Property) granted in the ordinary course of Borrower’s business (or, if referring to another Person, in the ordinary course of such Person’s business), if the leases, subleases, licenses and sublicenses do not prohibit granting Collateral Agent or any Lender a security interest therein;

(b) banker’s liens, rights of setoff and Liens in favor of financial institutions incurred in the ordinary course of business arising in connection with Borrower’s deposit accounts or securities accounts held at such institutions solely to secure payment of fees and similar costs and expenses and provided such accounts are maintained in compliance with Section 6.6(b) hereof;

(i) Liens arising from judgments, decrees or attachments in circumstances not constituting an Event of Default under Section 8.4 or 8.7;

(j) Liens on cash collateral securing Borrower’s Indebtedness to SVB under clause (g) of the definition of Permitted Indebtedness, provided that the amount of such cash collateral shall not exceed (i) Two Hundred Eighty-Three Thousand Dollars ($283,000.00) in the aggregate at any time in respect of Letters of Credit, and (ii) One Hundred Thousand Dollars ($100,000.00) in the aggregate at any time in respect of Bank Services for corporate credit cards; and

(k) Liens consisting of Permitted Licenses.

“Person” is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

“Post Closing Letter” is that certain Post Closing Letter dated as of the Effective Date by and among Collateral Agent, Lenders and Borrower.

“Prepayment Fee” is, with respect to any Term Loan subject to prepayment prior to the Maturity Date, whether by mandatory or voluntary prepayment, acceleration or otherwise, an additional fee payable to the Lenders in amount equal to one percent (1.00%) of the principal amount of the Term Loan prepaid.

“Pro Rata Share” is, as of any date of determination, with respect to each Lender, a percentage (expressed as a decimal, rounded to the ninth decimal place) determined by dividing the outstanding principal amount of Term Loans held by such Lender by the aggregate outstanding principal amount of all Term Loans.

“Registered Organization” is any “registered organization” as defined in the Code with such additions to such term as may hereafter be made.

“Required Lenders” means (i) for so long as all of the Persons that are Lenders on the Effective Date (each an “Original Lender”) have not assigned or transferred any of their interests in their Term Loan, Lenders holding one hundred percent (100%) of the aggregate outstanding principal balance of the Term Loan, or (ii) at any time from and after any Original Lender has assigned or transferred any interest in its Term Loan, Lenders holding at least sixty six percent (66%) of the aggregate outstanding principal balance of the Term Loan and, in respect of this clause (ii), (A) each Original Lender that has not assigned or transferred any portion of its Term Loan, (B) each assignee or transferee of an Original Lender’s interest in the Term Loan, but only to the extent that such assignee or transferee is an Affiliate or Approved Fund of such Original Lender, and (C) any Person providing financing to any Person described in clauses (A) and (B) above; provided, however, that this clause (C) shall only apply upon the occurrence of a default, event of default or similar occurrence with respect to such financing.

“Requirement of Law” is as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.
“Responsible Officer” is any of the President, Chief Executive Officer, or Chief Financial Officer of Borrower acting alone.

“Secured Promissory Note” is defined in Section 2.4.

“Secured Promissory Note Record” is a record maintained by each Lender with respect to the outstanding Obligations owed by Borrower to Lender and credits made thereto.

“Securities Account” is any “securities account” as defined in the Code with such additions to such term as may hereafter be made.

“Solvent” is, with respect to any Person: the fair salable value of such Person’s consolidated assets (including goodwill minus disposition costs) exceeds the fair value of such Person’s liabilities; such Person is not left with unreasonably small capital after the transactions in this Agreement; and such Person is able to pay its debts (including trade debts) as they mature.

“Stockholder Tax Indemnification Plan” is the Stockholder Tax Indemnification Plan of Borrower for the benefit of its stockholders dated as of January 5, 2012, in the form delivered to Collateral Agent and Lenders prior to the Effective Date.

“Subordinated Debt” is indebtedness incurred by Borrower or any of its Subsidiaries subordinated to all Indebtedness of Borrower and/or its Subsidiaries to the Lenders (pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to Collateral Agent and the Lenders entered into between Collateral Agent, Borrower, and/or any of its Subsidiaries, and the other creditor), on terms acceptable to Collateral Agent and the Lenders.

“Subsidiary” is, with respect to any Person, any Person of which more than fifty percent (50%) of the voting stock or other equity interests (in the case of Persons other than corporations) is owned or controlled, directly or indirectly, by such Person or through one or more intermediaries.

“Term Loan” is defined in Section 2.2(a)(i) hereof.

“Term Loan Commitment” is, for any Lender, the obligation of such Lender to make a Term Loan, up to the principal amount shown on Schedule 1.1.

“Trademarks” means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks.

“Transfer” is defined in Section 7.1.

“Warrants” are (a) those certain Warrants to Purchase Stock dated as of June 28, 2013, issued by Borrower in favor of each Lender or such Lender’s Affiliates and (b) (a) those certain Warrants to Purchase Stock dated as of September 30, 2014, issued by Borrower in favor of Oxford or Oxford’s Affiliates.
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

BORROWER:

CONSTELLATION PHARMACEUTICALS, INC.

By:  /s/ Matthias Jaffe
Name: Matthias Jaffe
Title: CFO

COLLATERAL AGENT AND LENDER:

OXFORD FINANCE LLC

By:  /s/ Mark Davis
Name: Mark Davis
Title: Vice President – Finance, Secretary and Treasurer

LENDER:

SILICON VALLEY BANK

By:  /s/ Kate Walsh
Name: Kate Walsh
Title: Vice President

[Signature Page to Loan and Security Agreement]
## SCHEDULE 1.1

### Lenders and Commitments

#### Term Loans

<table>
<thead>
<tr>
<th>Lender</th>
<th>Term Loan Commitment</th>
<th>Commitment Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>OXFORD FINANCE LLC</td>
<td>$7,866,666.67</td>
<td>66.66667%</td>
</tr>
<tr>
<td>SILICON VALLEY BANK</td>
<td>$3,933,333.33</td>
<td>33.33333%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$11,800,000.00</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
EXHIBIT A

Description of Collateral

The Collateral consists of all of Borrower’s right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (except as noted below), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts and other Collateral Accounts, all certificates of deposit, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

All Borrower’s Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include (i) any Intellectual Property; provided, however, the Collateral shall include all Accounts and all proceeds of Intellectual Property. If a judicial authority (including a U.S. Bankruptcy Court) determines that a security interest in the underlying Intellectual Property is necessary to have a security interest in such Accounts and such property that are proceeds of Intellectual Property, then the Collateral shall automatically, and effective as of the Effective Date, include the Intellectual Property to the extent necessary to permit perfection of Collateral Agent’s security interest in such Accounts and such other property of Borrower that are proceeds of the Intellectual Property; and (ii) any license or contract, in each case if the granting of a Lien in such license or contract is prohibited by or would constitute a default under the agreement governing such license or contract (but (A) only to the extent such prohibition is enforceable under applicable law and (B) other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-408 or 9-409 (or any other Section) of Division 9 of the Code); provided that upon the termination, lapsing or expiration of any such prohibition, such license or contract, as applicable, shall automatically be subject to the security interest granted in favor of Collateral Agent hereunder and become part of the “Collateral.”

Pursuant to the terms of a certain negative pledge arrangement with Collateral Agent and the Lenders, Borrower has agreed not to encumber any of its Intellectual Property except as otherwise permitted under the Loan Agreement.
EXHIBIT B-1

Form of Disbursement Letter

[see attached]
The undersigned, being the duly elected and acting [Balance of Page Intentionally Left Blank]
7. The proceeds of the Term Loans shall be disbursed as follows:

<table>
<thead>
<tr>
<th>Disbursement from Oxford:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Amount</td>
<td>$</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>—Interim Interest</td>
<td>($)</td>
</tr>
<tr>
<td>—Lender’s Legal Fees</td>
<td>($)</td>
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<td><strong>Net Proceeds due from Oxford:</strong></td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disbursement from SVB:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Amount</td>
<td>$</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>—Interim Interest</td>
<td>($)</td>
</tr>
<tr>
<td><strong>Net Proceeds due from SVB:</strong></td>
<td>$</td>
</tr>
</tbody>
</table>

**TOTAL TERM LOAN NET PROCEEDS FROM LENDERS** $_______

8. The Term Loans shall amortize in accordance with the Amortization Table attached hereto.

9. The aggregate net proceeds of the Term Loans shall be transferred to the Designated Deposit Account as follows:

<table>
<thead>
<tr>
<th>Account Name:</th>
<th>Constellation Pharmaceuticals, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Name:</td>
<td>Silicon Valley Bank</td>
</tr>
<tr>
<td>Bank Address:</td>
<td>3003 Tasman Drive</td>
</tr>
<tr>
<td></td>
<td>Santa Clara, California 95054</td>
</tr>
<tr>
<td>Account Number:</td>
<td></td>
</tr>
<tr>
<td>ABA Number:</td>
<td>121140399</td>
</tr>
</tbody>
</table>

[Balance of Page Intentionally Left Blank]

* Legal fees and costs are through the Effective Date. Post-closing legal fees and costs, payable after the Effective Date, to be invoiced and paid post-closing.
Dated as of the date first set forth above.

**BORROWER:**

CONSTELLATION PHARMACEUTICALS, INC.

By __________________________
Name: _________________________
Title: _________________________

**COLLATERAL AGENT AND LENDER:**

OXFORD FINANCE LLC

By: __________________________
Name: _________________________
Title: _________________________

**LENDER:**

SILICON VALLEY BANK

By: __________________________
Name: _________________________
Title: _________________________

[Signature Page to Disbursement Letter]
<table>
<thead>
<tr>
<th>Year</th>
<th>Payment</th>
<th>Interest</th>
<th>Principal</th>
<th>Remaining Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[see attached]
EXHIBIT B-2

Loan Payment/Advance Request Form

DEADLINE FOR SAME DAY PROCESSING IS NOON PACIFIC TIME*

Fax To: (650) 320-0016
Date:

LOAN PAYMENT:

CONSTANCEPHARMACEUTICALS, INC.

From Account # ____________________________ To Account # ____________________________
(Deposit Account #) (Loan Account #)

Principal $ ____________________________ and/or Interest $ ____________________________

Authorized Signature: ____________________________ Phone Number: ____________________________
Print Name/Title: ____________________________

LOAN ADVANCE:

Complete Outgoing Wire Request section below if all or a portion of the funds from this loan advance are for an outgoing wire.

From Account # ____________________________ To Account # ____________________________
(Loan Account #) (Deposit Account #)

Amount of Advance $ ____________________________

Authorized Signature: ____________________________ Phone Number: ____________________________
Print Name/Title: ____________________________

OUTGOING WIRE REQUEST:

Complete only if all or a portion of funds from the loan advance above is to be wired.
Deadline for same day processing is noon, Pacific Time

Beneficiary Name: ____________________________ Amount of Wire: $ ____________________________
Beneficiary Bank: ____________________________ Account Number: ____________________________
City and State: ____________________________

Beneficiary Bank Transit (ABA) #: ____________________________ Beneficiary Bank Code (Swift, Sort, Chip, etc.): ________
(For International Wire Only)

Intermediary Bank: ____________________________
Transit (ABA) #: ____________________________
For Further Credit to: ____________________________

Special Instruction:

By signing below, I (we) acknowledge and agree that my (our) funds transfer request shall be processed in accordance with and subject to the terms and conditions set forth in the agreements(s) covering funds transfer service(s), which agreements(s) were previously received and executed by me (us).

Authorized Signature: ____________________________ 2nd Signature (if required): ____________________________
Print Name/Title: ____________________________ Print Name/Title: ____________________________
Telephone #: ____________________________ Telephone #: ____________________________
EXHIBIT C

Compliance Certificate

TO: OXFORD FINANCE LLC, as Collateral Agent and Lender
    SILICON VALLEY BANK, as Lender

FROM: CONSTELLATION PHARMACEUTICALS, INC.

The undersigned authorized officer ("Officer") of Constellation Pharmaceuticals, Inc. ("Borrower"), hereby certifies in such capacity that in accordance with the terms and conditions of the Loan and Security Agreement by and among Borrower, Collateral Agent, and the Lenders from time to time party thereto (the "Loan Agreement," capitalized terms used but not otherwise defined herein shall have the meanings given them in the Loan Agreement),

(a) Borrower is in complete compliance for the period ending with all required covenants except as noted below;
(b) There are no Events of Default which have occurred and are continuing, except as noted below;
(c) Except as noted below, all representations and warranties of Borrower stated in the Loan Documents are true and correct in all material respects on this date and for the period described in (a), above; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date.
(d) Borrower, and each of Borrower’s Subsidiaries, has timely filed all required tax returns and reports, Borrower, and each of Borrower’s Subsidiaries, has timely paid all foreign, federal, state, and local taxes, assessments, deposits and contributions owed by Borrower, or Subsidiary, except as otherwise permitted pursuant to the terms of Section 5.8 of the Loan Agreement;
(e) No Liens have been levied or claims made against Borrower or any of its Subsidiaries relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Collateral Agent and the Lenders.

Attached are the required documents, if any, supporting our certification(s). The Officer, on behalf of Borrower, further certifies in its capacity as an officer of Borrower that the attached financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and are consistently applied from one period to the next except as explained in an accompanying letter or footnotes and except, in the case of unaudited financial statements, for the absence of footnotes and subject to year-end audit adjustments as to the interim financial statements.

Please indicate compliance status since the last Compliance Certificate by circling Yes, No, or N/A under “Complies” column.

<table>
<thead>
<tr>
<th>Reporting Covenant</th>
<th>Requirement</th>
<th>Actual</th>
<th>Complies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Financial statements</td>
<td>Monthly within 30 days</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>2) Annual (CPA Audited) statements</td>
<td>Within 180 days after FYE</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>3) Annual Financial Projections/Budget (prepared on a monthly basis)</td>
<td>Annually (within 30 days of FYE), and when revised</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
5) 8-K, 10-K and 10-Q Filings  
If applicable, within 5 days of filing

6) Compliance Certificate  
Monthly within 30 days

7) IP Report  
When required to provide notice of events which could materially and adversely affect the IP

8) Total amount of Borrower’s cash and cash equivalents at the last day of the measurement period

9) Total amount of Borrower’s Subsidiaries’ cash and cash equivalents at the last day of the measurement period

10) Updated Exhibit A to Landlord Waiver  
Within 30 days for each month where new Collateral in excess of $100,000.00 was delivered to the ARE Leased Location

Deposit and Securities Accounts
(Please list all accounts; attach separate sheet if additional space needed)

<table>
<thead>
<tr>
<th>Institution Name</th>
<th>Account Number</th>
<th>New Account?</th>
<th>Account Control Agreement in place?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Yes  No</td>
<td>Yes  No</td>
</tr>
<tr>
<td>1)</td>
<td></td>
<td>Yes  No</td>
<td>Yes  No</td>
</tr>
<tr>
<td>2)</td>
<td></td>
<td>Yes  No</td>
<td>Yes  No</td>
</tr>
<tr>
<td>3)</td>
<td></td>
<td>Yes  No</td>
<td>Yes  No</td>
</tr>
<tr>
<td>4)</td>
<td></td>
<td>Yes  No</td>
<td>Yes  No</td>
</tr>
</tbody>
</table>

Other Matters

1) Has any Key Person ceased to be actively engaged in Borrower’s management since the last Compliance Certificate?  

2) Have there been any transfers/sales/disposals/retirement of Collateral or IP prohibited by the Loan Agreement?  

3) Have there been any new or pending claims or causes of action against Borrower that involve more than Two Hundred Fifty Thousand Dollars ($250,000.00)?  

4) Have there been any amendments of or other changes to the capitalization table of Borrower and to the Operating Documents of Borrower or any of its Subsidiaries? If yes, provide copies of any such amendments or changes with this Compliance Certificate.
Exceptions

Please explain any exceptions with respect to the certification above: (If no exceptions exist, state “No exceptions.” Attach separate sheet if additional space needed.)

Constellation Pharmaceuticals, Inc.

By: ____________________________
Name: __________________________
Title: __________________________
Date: __________________________

LENDER USE ONLY

Received by: ____________________________ Date: ________
Verified by: ____________________________ Date: ________
Compliance Status: Yes No
EXHIBIT D

Form of Secured Promissory Note

[see attached]
FOR VALUE RECEIVED, the undersigned, Constellation Pharmaceuticals, Inc., a Delaware corporation with offices located at 215 First Street, Suite 200, Cambridge, MA 02142 ("Borrower") HEREBY PROMISES TO PAY to the order of [OXFORD FINANCE LLC][SILICON VALLEY BANK] ("Lender") the principal amount of DOLLARS ($ ) or such lesser amount as shall equal the outstanding principal balance of the Term Loan made to Borrower by Lender, plus interest on the aggregate unpaid principal amount of such Term Loan, at the rates and in accordance with the terms of the Loan and Security Agreement dated April , 2016 by and among Borrower, Lender, Oxford Finance LLC, as Collateral Agent, and the other Lenders from time to time party thereto (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"). If not sooner paid, the entire principal amount and all accrued and unpaid interest hereunder shall be due and payable on the Maturity Date as set forth in the Loan Agreement. Any capitalized term not otherwise defined herein shall have the meaning attributed to such term in the Loan Agreement.

Principal, interest and all other amounts due with respect to the Term Loan, are payable in lawful money of the United States of America to Lender as set forth in the Loan Agreement and this Secured Promissory Note (this "Note"). The principal amount of this Note and the interest rate applicable thereto, and all payments made with respect thereto, shall be recorded by Lender and, prior to any transfer hereof, endorsed on the grid attached hereto which is part of this Note.

The Loan Agreement, among other things, (a) provides for the making of a secured Term Loan by Lender to Borrower, and (b) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events.

This Note may not be prepaid except as set forth in Section 2.2 (c) and Section 2.2(d) of the Loan Agreement.

This Note and the obligation of Borrower to repay the unpaid principal amount of the Term Loan, interest on the Term Loan and all other amounts due Lender under the Loan Agreement is secured under the Loan Agreement.

Presentment for payment, demand, notice of protest and all other demands and notices of any kind in connection with the execution, delivery, performance and enforcement of this Note are hereby waived.

Borrower shall pay all reasonable fees and expenses, including, without limitation, reasonable attorneys’ fees and costs, incurred by Lender in the enforcement or attempt to enforce any of Borrower’s obligations hereunder not performed when due.

This Note shall be governed by, and construed and interpreted in accordance with, the internal laws of the State of New York.

The ownership of an interest in this Note shall be registered on a record of ownership maintained by Lender or its agent. Notwithstanding anything else in this Note to the contrary, the right to the principal of, and stated interest on, this Note may be transferred only if the transfer is registered on such record of ownership and the transferee is identified as the owner of an interest in the obligation. Borrower shall be entitled to treat the registered holder of this Note (as recorded on such record of ownership) as the owner in fact thereof for all purposes and shall not be bound to recognize any equitable or other claim to or interest in this Note on the part of any other person or entity.

[Balance of Page Intentionally Left Blank]
IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed by one of its officers thereunto duly authorized on the date hereof.

BORROWER:

Constellation Pharmaceuticals, Inc.

By

Name: ________________________________
Title: ________________________________

[Oxford Finance LLC][Silicon Valley Bank]

Term Loan Secured Promissory Note
<table>
<thead>
<tr>
<th>Date</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Scheduled Payment Amount</th>
<th>Notation</th>
<th>By</th>
</tr>
</thead>
</table>

CORPORATE BORROWING CERTIFICATE

BORROWER: Constellation Pharmaceuticals, Inc.

DATE: April, 2016

LENDERS: OXFORD FINANCE LLC, as Collateral Agent and Lender
SILICON VALLEY BANK, as Lender

I hereby certify as follows, as of the date set forth above:

1. I am the Secretary, Assistant Secretary or other officer of Borrower. My title is as set forth below.

2. Borrower’s exact legal name is set forth above. Borrower is a corporation existing under the laws of the State of Delaware.

3. Attached hereto as Exhibit A and Exhibit B, respectively, are true, correct and complete copies of (i) Borrower’s Certificate of Incorporation (including amendments), as filed with the Secretary of State of the state in which Borrower is incorporated as set forth in paragraph 2 above; and (ii) Borrower’s Bylaws. Neither such Certificate of Incorporation nor such Bylaws have been amended, annulled, rescinded, revoked or supplemented, and such Articles/Certificate of Incorporation and such Bylaws remain in full force and effect as of the date hereof.

4. The following resolutions were duly and validly adopted by Borrower’s Board of Directors at a duly held meeting of such directors (or pursuant to a unanimous written consent or other authorized corporate action). Such resolutions are in full force and effect as of the date hereof and have not been in any way modified, repealed, rescinded, amended or revoked, and the Lenders may rely on them until each Lender receives written notice of revocation from Borrower.

[Balance of Page Intentionally Left Blank]
RESOLVED, that any one of the following officers or employees of Borrower, whose names, titles and signatures are below, may act on behalf of Borrower:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Signature</th>
<th>Authorized to Add or Remove Signatories</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>☐</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>☐</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>☐</td>
</tr>
</tbody>
</table>

RESOLVED FURTHER, that any one of the persons designated above with a checked box beside his or her name may, from time to time, add or remove any individuals to and from the above list of persons authorized to act on behalf of Borrower.

RESOLVED FURTHER, that such individuals may, on behalf of Borrower:

Borrow Money. Borrow money from the Lenders.

Execute Loan Documents. Execute any loan documents any Lender requires.

Grant Security. Grant Collateral Agent a security interest in any of Borrower’s assets.

Negotiate Items. Negotiate or discount all drafts, trade acceptances, promissory notes, or other indebtedness in which Borrower has an interest and receive cash or otherwise use the proceeds.

Letters of Credit. Apply for letters of credit from Bank.

Enter Derivatives Transactions. Execute spot or forward foreign exchange contracts, interest rate swap agreements, or other derivatives transactions.

Further Acts. Designate other individuals to request advances, pay fees and costs and execute other documents or agreements (including documents or agreement that waive Borrower’s right to a jury trial) they believe to be necessary to effectuate such resolutions.

RESOLVED FURTHER, that all acts authorized by the above resolutions and any prior acts relating thereto are ratified.

[Balance of Page Intentionally Left Blank]
5. The persons listed above are Borrower’s officers or employees with their titles and signatures shown next to their names.

By: ______________________
Name: ____________________
Title: _____________________

*** If the Secretary, Assistant Secretary or other certifying officer executing above is designated by the resolutions set forth in paragraph 4 as one of the authorized signing officers, this Certificate must also be signed by a second authorized officer or director of Borrower.

I, the ___________________ of Borrower, hereby certify as to paragraphs 1 through 5 above, as of the date set forth above.

By: ______________________
Name: ____________________
Title: _____________________

[Signature Page to Corporate Borrowing Certificate]
EXHIBIT A

Certificate of Incorporation (including amendments)

[see attached]
EXHIBIT B

Bylaws

[see attached]
EXHIBIT A TO UCC FINANCING STATEMENT

Description of Collateral

The Collateral consists of all of Debtor’s right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (except as noted below), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts and other Collateral Accounts, all certificates of deposit, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

All Borrower’s Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include (i) any Intellectual Property; provided, however, the Collateral shall include all Accounts and all proceeds of Intellectual Property. If a judicial authority (including a U.S. Bankruptcy Court) determines that a security interest in the underlying Intellectual Property is necessary to have a security interest in such Accounts and such property that are proceeds of Intellectual Property, then the Collateral shall automatically, and effective as of the Effective Date, include the Intellectual Property to the extent necessary to permit perfection of Collateral Agent’s security interest in such Accounts and such other property of Debtor that are proceeds of the Intellectual Property and (ii) any license or contract, in each case if the granting of a Lien in such license or contract is prohibited by or would constitute a default under the agreement governing such license or contract (but (A) only to the extent such prohibition is enforceable under applicable law and (B) other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-408 or 9-409 (or any other Section) of Division 9 of the Code); provided that upon the termination, lapsing or expiration of any such prohibition, such license or contract, as applicable, shall automatically be subject to the security interest granted in favor of Collateral Agent hereunder and become part of the “Collateral.”

Pursuant to the terms of a certain negative pledge arrangement with Collateral Agent and the Lenders, Debtor has agreed not to encumber any of its Intellectual Property except as otherwise permitted under the Loan and Security Agreement by and between Debtor, Secured Party and the other Lenders party thereto (as modified, amended and/or restated from time to time, the “Loan Agreement”).

Capitalized terms used but not defined herein have the meanings ascribed in the Uniform Commercial Code in effect in the State of New York as in effect from time to time (the “Code”) or, if not defined in the Code, then in the Loan Agreement.
THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE STOCK

(Term A Loan)

Company: Constellation Pharmaceuticals, Inc., a Delaware corporation
Number of Shares: A number of Shares equal to $100,000.00 divided by the Warrant Price
Type/Series of Stock: Series B Preferred
Warrant Price: $1.20 per share
Issue Date: June 28, 2013
Expiration Date: June 28, 2023 See also Section 5.1(b).
Credit Facility: This Warrant to Purchase Stock (“Warrant”) is issued in connection with that certain Loan and Security Agreement of even date herewith among Oxford Finance LLC, as Lender and Collateral Agent, the Lenders from time to time party thereto, including Silicon Valley Bank and the Company (as modified, amended and/or restated from time to time, the “Loan Agreement”).

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, OXFORD FINANCE LLC (“Oxford” and, together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, “Holder”) has delivered to the above-named company (the “Company”) a duly executed signature page to the Stockholder Option and Support Agreement with Genentech, Inc., a Delaware corporation, in the form attached hereto as Appendix 1 (an “Option and Support Agreement”), and is entitled to purchase the above-stated number of fully paid and non-assessable shares (the “Shares”) of the above-stated Type/Series of Stock (the “Class”) of the Company at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Section 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant. FOR CLARIFICATION, THE COMPANY AGREES THAT THE OPTION AND SUPPORT AGREEMENT IS BEING SIGNED BY HOLDER SOLELY IN ITS CAPACITY AS A HOLDER OF EQUITY SECURITIES OF THE COMPANY AND NOT AS A LENDER OR COLLATERAL AGENT. THE COMPANY AGREES THAT SUCH OPTION AND SUPPORT AGREEMENT SHALL NOT BIND HOLDER OR ANY OF ITS AFFILIATES IN HOLDER’S OR SUCH AFFILIATE’S CAPACITY AS A LENDER OR COLLATERAL AGENT IN ANY WAY, NOR SHALL IT AFFECT OR IN ANY WAY IMPAIR ANY RIGHTS OR REMEDIES THAT HOLDER OR ITS AFFILIATE MAY HAVE WITH RESPECT TO HOLDER’S OR SUCH AFFILIATE’S LOAN FACILITY WITH THE COMPANY. The two preceding sentences are not intended to impair Genentech, Inc.’s rights with respect to the equity securities as covered by the Option and Support Agreement.

SECTION 1. EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 2 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

1
\[ X = \frac{Y(A-B)}{A} \]

where:

\[ X = \text{the number of Shares to be issued to the Holder;} \]
\[ Y = \text{the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);} \]
\[ A = \text{the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and} \]
\[ B = \text{the Warrant Price.} \]

1.3 Fair Market Value. If the Company’s common stock is then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a “Trading Market”) and the Class is common stock, the fair market value of a Share shall be the closing price or last sale price of a share of common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If the Company’s common stock is then traded in a Trading Market and the Class is a series of the Company’s convertible preferred stock, the fair market value of a Share shall be the closing price or last sale price of a share of the Company’s common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company multiplied by the number of shares of the Company’s common stock into which a Share is then convertible. If the Company’s common stock is not traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired (or surrendered pursuant to Section 1.2 to the extent applicable).

1.5 Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company.

(a) Acquisition. For the purpose of this Warrant, “Acquisition” means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company’s domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company’s (or the surviving or successor entity’s) outstanding voting power immediately after such merger, consolidation or reorganization (or, if such Company stockholders beneficially own a majority of the outstanding voting power of the surviving or successor entity as of immediately after such merger, consolidation or reorganization, such surviving or successor entity is not the Company); or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company’s then-total outstanding combined voting power.
(b) **Treatment of Warrant at Acquisition.** In the event of an Acquisition in which the consideration to be received by the Company’s stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a “Cash/Public Acquisition”), either (i) Holder shall exercise this Warrant pursuant to Section 1.1 and/or 1.2 and such exercise will be deemed effective immediately prior to and contingent upon the consummation of such Acquisition or (ii) if Holder elects not to exercise the Warrant, this Warrant will expire immediately prior to the consummation of such Acquisition.

(c) The Company shall provide Holder with written notice of a contemplated Cash/Public Acquisition (together with such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such contemplated Cash/Public Acquisition giving rise to such notice), which is to be delivered to Holder not less than seven (7) Business Days prior to the closing of the proposed Cash/Public Acquisition. In the event the Company does not provide such notice, then if, immediately prior to the Cash/Public Acquisition, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon such exercise to the Holder and Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as of the date thereof.

(d) Upon the closing of any Acquisition other than a Cash/Public Acquisition defined above, the acquiring, surviving or successor entity shall assume the obligations of this Warrant, and this Warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(e) As used in this Warrant, “Marketable Securities” means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in a Trading Market, and (iii) Holder would be able to publicly re-sell, within six (6) months and one (1) day following the closing of such Acquisition, all of the issuer’s shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise this Warrant in full on or prior to the closing of such Acquisition.

(f) **Genentech Acquisition.** Notwithstanding anything to the contrary contained in this Warrant, in the event the Genentech Acquisition (as defined in the Loan Agreement) is consummated as a merger pursuant to the Agreement and Plan of Merger dated January 9, 2012 among the Company, Genentech, Inc. and the other parties thereto (the “Merger Agreement”), this Warrant shall be treated in accordance with the terms of Section 8.8(c) of the Merger Agreement.

1.7 **Adjustment to Class of Shares; Number of Shares; Warrant Price; Adjustments Cumulative.** In the event of a preferred stock equity financing by the Company after the Issue Date the gross proceeds of which equal at least One Million Dollars ($1,000,000) (the “Next Round”), if the price per share (the “Next Round Price”) of such shares of preferred stock (the “Next Round Stock”) is less than the Warrant Price, this Warrant shall, instead of being exercisable for the above-stated Shares at the above-stated Warrant Price, be exercisable, automatically and without further action by Holder, for Shares of the Next Round Stock at the Next Round Price (with the number of such shares subject of this Warrant automatically adjusted to equal (i) the aggregate Number of Shares for which this Warrant is then exercisable (as adjusted hereunder, but before giving effect to this Section 1.7) multiplied by (ii) the quotient of (x) the Warrant Price divided by (y) the Next Round Price). The rights set forth in this Section 1.7 shall (i) only apply to the first Next Round that occurs after the Issue Date and shall not apply to any other financing and (ii) shall terminate (x), in the case of the occurrence of an Acquisition, then upon the satisfaction of the provisions of Section 1.6 hereof and (y) in the case of the occurrence of an IPO (defined below), then upon the satisfaction of Section 2.3 hereof. Any adjustment to the Class of Shares, Number of Shares and/or Warrant Price made as a result of this Article 1.7 shall be in addition to any adjustment(s) to be made in accordance with Article 2 hereof.
SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Class payable in common stock or other securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Class are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations substitutions, replacements or other similar events.

2.3 Conversion of Preferred Stock. If the Class is a class and series of the Company’s convertible preferred stock, in the event that all outstanding shares of the Class are converted, automatically or by action of the holders thereof, into common stock pursuant to the provisions of the Company’s Certificate of Incorporation, including, without limitation, in connection with the Company’s initial, underwritten public offering and sale of its common stock pursuant to an effective registration statement under the Act (the “IPO”), then from and after the date on which all outstanding shares of the Class have been so converted, this Warrant shall be exercisable for such number of shares of common stock into which the Shares would have been converted had the Shares been outstanding on the date of such conversion, and the Warrant Price shall equal the Warrant Price in effect as of immediately prior to such conversion divided by the number of shares of common stock into which one Share would have been converted, all subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant.

2.4 Adjustments for Diluting Issuances. Except as would duplicate any adjustment otherwise provided for in this Section 2, the number of shares of common stock issuable upon conversion of the Shares shall be subject to anti-dilution adjustment from time to time in the manner set forth in the Company’s Certificate of Incorporation as if the Shares were issued and outstanding on and as of the date of any such required adjustment.

2.5 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.6 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Class and/or number of Shares, the Company, at the Company’s expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, Class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, Class and number of Shares in effect upon the date of such adjustment.
SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) The initial Warrant Price referenced on the first page of this Warrant is not greater than the price per share at which shares of the Class were last sold and issued prior to the Issue Date hereof in an arms-length transaction in which at least $500,000 of such shares were sold.

(b) All Shares which may be issued upon the exercise of this Warrant, and all securities, if any, issuable upon conversion of the Shares, shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of shares of the Class, common stock and other securities as will be sufficient to permit the exercise in full of this Warrant and the conversion of the Shares into common stock or such other securities.

(c) The Company’s capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Class or common stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares of the Class any additional shares of any class or series of the Company’s stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Class;

(d) effect an Acquisition or to liquidate, dissolve or wind up; or

(e) effect an IPO;

then, in connection with each such event, the Company shall give Holder:

(1) at least seven (7) Business Days prior written notice of the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Class will be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (a) and (b) above;

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event); and

(3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

Reference is made to Section 1.6(c) whereby this Warrant will be deemed to be exercised pursuant to Section 1.2 hereof if the Company does not give written notice to Holder of a Cash/Public Acquisition as required by the terms hereof. Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder’s accounting or reporting requirements.
SECTION 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the Shares issuable upon exercise of this Warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) are being acquired for investment for Holder’s account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares (or the securities issuable, directly or indirectly, upon conversion of the Shares, if any).

4.2 Disclosure of Information. Holder is aware of the Company’s business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder’s investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an “accredited investor” within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder’s investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 Market Stand-off Agreement. The Holder agrees that the Shares shall be subject to the market standoff provisions in Section 2.7 of the Company’s Investor Rights Agreement or similar agreement.

4.7 No Voting Rights. Holder, as a Holder of this Warrant, will not have any voting rights until the exercise of this Warrant.

SECTION 5. MISCELLANEOUS.

5.1 Term; Automatic Cashless Exercise Upon Expiration.

(a) Term. Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Eastern time, on the Expiration Date and shall be void thereafter.
Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares (or such other securities) issued upon such exercise to Holder.

5.2 Legends. Each certificate evidencing Shares (and each certificate evidencing the securities issued, directly or indirectly, upon conversion of any Shares, if any) shall be imprinted with a legend in substantially the following form:

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN WARRANT TO PURCHASE STOCK ISSUED BY THE ISSUER TO OXFORD FINANCE LLC DATED JUNE 28, 2013, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issued upon exercise of this Warrant (and the securities issued, directly or indirectly, upon conversion of the Shares, if any) may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to an affiliate of Holder, provided that any such transferee is an “accredited investor” as defined in Regulation D promulgated under the Act. Additionally, the Company shall also not require an opinion of counsel if the Company and Holder agree that there is no material question as to the availability of Rule 144 promulgated under the Act.

5.4 Transfer Procedure. After receipt by Oxford of the executed Warrant, Oxford may transfer all or part of this Warrant to one or more of Oxford’s affiliates (each, an “Oxford Affiliate”), by execution of an Assignment substantially in the form of Appendix 3 and delivery by the transferee to the Company of a duly executed signature page to the Option and Support Agreement. Subject to the provisions of Section 5.3 and upon providing the Company with written notice, Oxford, any such Oxford Affiliate and any subsequent Holder, may transfer all or part of this Warrant or the Shares issued upon exercise of this Warrant (or the securities issued, directly or indirectly, upon conversion of the Shares, if any) to any other transferee, provided, however, in connection with any such transfer, the Oxford Affiliate(s) or any subsequent Holder will give the Company notice of the portion of the Warrant or the Shares issued upon exercise of this Warrant (or the securities issued, directly or indirectly, upon conversion of the Shares, if any) being transferred with the name, address and taxpayer identification number of the transferee and will surrender this Warrant (and/or any stock certificates representing the Shares issued upon exercise of this Warrant (or the securities issued directly or indirectly, upon conversion of the Shares, if any) being transferred) to the Company for reissuance to the transferee(s) (and Holder if applicable); and provided further, that such transferee shall deliver a duly executed signature page to the Option and Support Agreement to the Company and agree in writing with the Company to be bound by all of the terms and conditions of this Warrant or to which the Shares issued upon exercise of this Warrant (or the securities issued directly or indirectly, upon conversion of the Shares, if any) being transferred are then subject, as applicable. Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company’s prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, or any shares or other securities issued directly or indirectly upon any conversion of any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.
5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

Oxford Finance LLC
133 N. Fairfax Street
Alexandria, VA 22314
Attn: Legal Department
Telephone: (703) 519-4900
Facsimile: (703) 519-5225
Email: LegalDepartment@oxfordfinance.com

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

Constellation Pharmaceuticals, Inc.
215 First Street, Suite 200
Cambridge, MA 02142
Telephone: (617) 714-0555
Facsimile: (617) 577-0472
Email: Matthias.Jaffe@ConstellationPharma.com

With a copy (which shall not constitute notice) to:

Wilmer Cutler Pickering Hale and Dorr LLP
Attn: Steven D. Singer, Esq.
60 State Street
Boston, MA 02109
Telephone: (617) 526-6000
Facsimile: (617) 526-5000
Email: steven.singer@wilmerhale.com

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorneys’ Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys’ fees.

5.8 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to its principles regarding conflicts of law.
5.10 **Headings.** The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 **Business Days.** “**Business Day**” is any day that is not a Saturday, Sunday or a day on which Silicon Valley Bank is closed.

[Remainder of page left blank intentionally]

[Signature page follows]

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IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

“COMPANY”

CONSTELLATION PHARMACEUTICALS, INC.

By: /s/ Matthias Jaffe
Name: Matthias Jaffe
Title: CFO

“HOLDER”

OXFORD FINANCE LLC

By: /s/ Mark Davis
Name: Mark Davis
Title: Vice President – Finance, Secretary & Treasurer

[Signature Page to Warrant to Purchase Stock – Oxford Term A]
STOCKHOLDER OPTION AND SUPPORT AGREEMENT

This STOCKHOLDER OPTION AND SUPPORT AGREEMENT, dated as of       ,  (this “Agreement”), is by and between Genentech, Inc., a Delaware corporation (“Parent”), and                   (“Stockholder”).

WHEREAS, Stockholder owns shares of common stock or preferred stock of Constellation Pharmaceuticals, Inc., a Delaware corporation (the “Company”);

WHEREAS, Parent and the Company have entered into an Option Agreement, dated as of the date hereof (the “Option Agreement”), which provides, upon the terms and subject to the conditions thereof, for the Company to grant to Parent an option to acquire all of the equity interests of the Company either pursuant to the terms of the Merger Agreement (as defined below) or, in the sole discretion of Parent, to elect to structure the acquisition of the Company as an acquisition of all of the equity interests held by such holders of equity in the Company as are party to a stockholder option and support agreement substantially in the form of this Agreement, pursuant to a stock purchase agreement, the form of which will contain terms that are consistent in all material respects with the Merger Agreement (the “Option”);

WHEREAS, Parent, Hydra Acquisition Corp., a Delaware corporation (“AcquisitionCo”), the Company, and Robert Tepper M.D., as representative of Third Rock Ventures, as representative of the Participating Equity Holders, have entered into an Agreement and Plan of Merger, dated as of the date hereof (the “Merger Agreement”), which provides, upon the terms and subject to the conditions thereof, for the merger (the “Merger”) of AcquisitionCo with and into the Company, with the Company continuing as the surviving corporation in the Merger; and

WHEREAS, as an inducement to Parent to enter into the Option Agreement and the Merger Agreement, Parent has requested that Stockholder enter into, and in order to induce Parent to enter into the Option Agreement and the Merger Agreement, Stockholder has agreed to enter into, certain arrangements with respect to approval of the Option and the Merger.

NOW, THEREFORE, in consideration of the mutual premises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Termination of Agreement. This Agreement shall terminate upon the termination of the Merger Agreement in accordance with the terms thereof; provided, however, that nothing in this Section 1 shall relieve any party of liability for any breach of this Agreement.

2. Support.
   2.2. Voting Agreement. Stockholder, by this Agreement, with respect to all of the shares of common stock or preferred stock of the Company owned or hereafter acquired by Stockholder (collectively, the “Shares”), hereby covenants and agrees to vote or cause to be voted, at any meeting of stockholders of the Company, however called, and in any action by written consent of the stockholders of the Company, all of the Shares in favor of the adoption of the Option Agreement and the Merger Agreement and the approval of the Option, the Merger, and all of the transactions contemplated by the Option Agreement and the Merger Agreement, including the acquisition of all of the equity interests of the Company by Parent or its affiliates in the form of a stock purchase agreement, and against any Acquisition Proposal (as defined in the Option Agreement) or any other proposal pursuant to which any Person would acquire Shares that would reasonably be expected to prevent, delay, or postpone the transactions contemplated by the Option Agreement or the Merger Agreement.

[SIGNATURE PAGE TO STOCKHOLDER OPTION AND SUPPORT AGREEMENT]
2.3. Transfer of Shares. Stockholder agrees not to, directly or indirectly, at any time prior to the Effective Time, other than as may be required by a court order, (a) sell, assign, transfer (including by operation of law), pledge, dispose of or otherwise encumber any of the Shares or otherwise agree to do any of the foregoing (a “Transfer”) unless the recipient of such shares, as a condition to such Transfer, executes and delivers to Parent a Stockholder Option and Support Agreement in the form of this Agreement, (b) deposit any Shares into a voting trust or enter into a voting agreement or arrangement or grant any proxy or power of attorney with respect thereto that is inconsistent with this Agreement or (c) enter into any contract, option or other arrangement or undertaking with respect to the direct or indirect sale, assignment, transfer (including by operation of law) or other disposition by Stockholder of any Shares unless the recipient of such shares, as a condition to such Transfer, executes and delivers to Parent a Stockholder Option and Support Agreement in the form of this Agreement. Any Transfer or attempted Transfer of any Shares in violation of any provision of this Agreement shall be void and of no force or effect, and the Company shall not record such Transfer on its books or treat any purported transferee of such Shares as the owner of such shares for any purpose.

2.4. Legend. Concurrently with the execution of this Agreement, there shall be imprinted or otherwise placed, on certificates representing shares of common stock or preferred stock of the Company, the following restrictive legend (the “Legend”):

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS AND CONDITIONS OF A STOCKHOLDER OPTION AND SUPPORT AGREEMENT WHICH PLACES CERTAIN RESTRICTIONS ON THE VOTING AND TRANSFER OF THE SHARES REPRESENTED HEREBY. ANY PERSON ACCEPTING ANY INTEREST IN SUCH SHARES SHALL BE DEEMED TO AGREE TO AND SHALL BECOME BOUND BY ALL THE PROVISIONS OF SUCH AGREEMENT. A COPY OF SUCH STOCKHOLDER OPTION AND SUPPORT AGREEMENT WILL BE FURNISHED TO THE RECORD HOLDER OF THIS CERTIFICATE WITHOUT CHARGE UPON WRITTEN REQUEST TO THE COMPANY AT ITS PRINCIPAL PLACE OF BUSINESS."

The Company agrees that, during the term of this Agreement, it will not remove, and will not permit to be removed (upon registration of transfer, reissuance or otherwise), the Legend from any such certificate and will place or cause to be placed the Legend on any new certificate representing shares of common stock or preferred stock of the Company issued.

2.5. Stock Purchase Agreement. In the event that Parent or its affiliates exercise the Option and pursuant thereto elect to acquire equity interests of the Company pursuant to a stock purchase agreement, the form of which will contain terms that are consistent in all material respects with the terms of the Merger Agreement (the “Stock Purchase Agreement”), Stockholder agrees that it shall enter into the Stock Purchase Agreement, pursuant to which Stockholder will agree to sell all of its Shares to Parent or its affiliates on such terms, and to take such other actions, in each case that are consistent with the Stock Purchase Agreement, as may reasonably be required by Parent to effect the acquisition of the Company by Parent, including the provision of information customarily provided by a stockholder in connection with such a transaction and the execution of customary conveyance instruments.

3. Notices. All notices, requests, claims, demands and other communications under this Agreement will be in writing and will be deemed given if delivered personally, when sent by receipt requested electronic mail, or the next business day if sent by overnight courier (providing proof of delivery), or on the same business day if sent via facsimile on a business day during normal business hours to the parties at the following addresses (or at such other address for a party as specified by like notice), or to such other address as such party may indicate by a notice delivered to the other party hereto:

If to Parent, to:
Genentech, Inc.
One DNA Way
South San Francisco, CA 94080
with copies (which shall not constitute notice) to:

F. Hoffmann-La Roche Ltd
Grenzacherstrasse 124
CH 4070 Basel
Switzerland
Attention: Group Legal Department
Facsimile: +41 61 688 13 96

and

Sidley Austin LLP
555 California St.
20th Floor
San Francisco, California 94104
Attention: Sharon R. Flanagan
Telephone: (415) 772-1200
Facsimile: (415) 772-7400

If to Stockholder, to the address or fax number set forth on the signature page hereto under Stockholder’s name.

4. Miscellaneous.

4.1. Entire Agreement; Amendments. This Agreement contains the entire understanding of the parties hereto with regard to the subject matter hereof and supersedes all other prior agreements or understandings between the parties hereto. This Agreement shall not be amended, modified or supplemented except by a written instrument signed by Stockholder and an authorized representative of Parent.

4.2. Confidentiality. Stockholder shall hold any information regarding this Agreement, the Option, the Option Agreement, the Merger, the Merger Agreement and the transactions contemplated hereby and thereby (the “Confidential Information”) in strict confidence and shall not divulge any such information to any third person unless otherwise so required by a court of competent jurisdiction; provided, that if Stockholder is not a natural person and has a fiduciary or contractual duty to disclose any Confidential Information to its limited partners or members, Stockholder shall be permitted to disclose such Confidential Information to its limited partners or members, provided that Stockholder first informs such limited partners or members that such Confidential Information is confidential and directs such limited partner or member to maintain the confidentiality of such information in accordance with the terms of this Agreement. Neither the Stockholder nor any of its affiliates shall issue or cause the publication of any press release or other public statement with respect to this Agreement, the Option, the Option Agreement, the Merger, the Merger Agreement and the transactions contemplated hereby and thereby without the prior written consent of Parent.

4.3. Partial Invalidity. Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such provision shall be ineffective to the extent, but only to the extent, of such invalidity, illegality or unenforceability without invalidating the remainder of such invalid, illegal or unenforceable provision or provisions or any other provision hereof, unless such a construction would be unreasonable.
4.4. Waivers. Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof. Any such waiver shall be validly and sufficiently authorized for the purposes of this Agreement if, as to any party, it is authorized in writing by an authorized representative of such party. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

4.5. Binding Effect; Assignment. Parent may assign its rights and obligations under this Agreement to any of Parent’s affiliates without the consent of Stockholder. Stockholder’s rights or obligations under this Agreement may not be assigned. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and permitted assigns. The successors and permitted assigns hereunder shall include, in the case of Parent, any assignee as well as the successors in interest to such assignee (whether by merger, liquidation (including successive mergers or liquidations) or otherwise). Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any person or entity other than the parties, their successors and assigns permitted by this Section 4.5 any right, remedy or claim under or by reason of this Agreement.

4.6. Headings. The headings contained in this Agreement are for convenience of reference only and shall not be deemed a part of or to affect the meaning or interpretation of this Agreement.

4.7. Governing Law. This Agreement shall be construed in accordance with, and governed in all respects by, the internal laws of the State of Delaware (without giving effect to principles of conflicts of laws).

4.8. Jurisdiction. Any legal proceeding relating to this Agreement or the enforcement of any provision of this Agreement (including a legal proceeding based upon intentional misrepresentation or fraud) may be brought or otherwise commenced in the Court of Chancery of the State of Delaware, New Castle County, or, if that court does not have jurisdiction, a federal court sitting in Wilmington, Delaware. Each party to this Agreement hereby irrevocably: (a) consents to submit itself in any suit, action or proceeding arising out of or related to this Agreement to the exclusive personal jurisdiction of the Court of Chancery of the State of Delaware, New Castle County, or, if that court does not have jurisdiction, a federal court sitting in Wilmington, Delaware; (b) agrees that it will not attempt to defeat or deny such personal jurisdiction by motion or other request for leave from such court; and (c) agrees that it will not bring any action arising out of or related to this Agreement in any court other than any such court.

4.9. Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF THE PARTIES IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF.

4.10. Execution in Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement, and shall become binding when each party to this Agreement has executed a counterpart to this Agreement and delivered such counterpart to the other party to this Agreement.

4.11. Interpretation. For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include the masculine and feminine genders. The undersigned hereto agrees that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement. As used in this Agreement, the words “include” and “including,” and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words “without limitation.” For purposes of this Agreement, the use of the word “or” shall not be exclusive. Except as otherwise indicated, all references in this Agreement to “Sections” are intended to refer to Sections of this Agreement.

* * * * *
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

GENENTECH, INC.

By: 

Name: 

Title: 
EXHIBIT A

COMPANY SECURITIES BENEFICIALLY OWNED BY STOCKHOLDER

____________ Shares of Common Stock

____________ Shares of Series A Convertible Preferred Stock

____________ Shares of Series B Convertible Preferred Stock

____________ Shares of Common Stock subject to outstanding stock options

____________ Shares of Common Stock or Preferred Stock subject to outstanding warrants
NOTICE OF EXERCISE

1. The undersigned Holder hereby exercises its right to purchase ___________ shares of the Common/Series ______ Preferred [circle one] Stock of Constellation Pharmaceuticals, Inc. (the “Company”) in accordance with the attached Warrant To Purchase Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

[ ] check in the amount of $________ payable to order of the Company enclosed herewith

[ ] Wire transfer of immediately available funds to the Company’s account

[ ] Cashless Exercise pursuant to Section 1.2 of the Warrant

[ ] Other [Describe] __________________________________________

2. Please issue a certificate or certificates representing the Shares in the name specified below:

____________________________________________________________________

____________________________________________________________________

Holder’s Name

____________________________________________________________________

(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Stock as of the date hereof.

HOLDING:

____________________________________________________________________

By: ____________________________________________

Name: __________________________________________

Title: __________________________________________

Date: __________________________________________

Appendix 2
APPENDIX 3

ASSIGNMENT

For value received, Oxford Finance LLC hereby sells, assigns and transfers unto

Name: [OXFORD TRANSFEREE]
Address: 
Tax ID: 

that certain Warrant to Purchase Stock issued by Constellation Pharmaceuticals, Inc. (the “Company”), on , 2013 (the “Warrant”) together with all rights, title and interest therein.

OXFORD FINANCE LLC
By: 
Name: 
Title: 
Date: 

By its execution below, and for the benefit of the Company, [OXFORD TRANSFEREE] makes each of the representations and warranties set forth in Article 4 of the Warrant and agrees to all other provisions of the Warrant as of the date hereof.

[OXFORD TRANSFEREE]
By: 
Name: 
Title: 

Appendix 3
Company Capitalization Table

See attached

Schedule 1
WARRANT TO PURCHASE STOCK

Company: CONSTELLATION PHARMACEUTICALS, INC.

Number of Shares: A number of Shares equal to $50,000.00 divided by the Warrant Price, plus all Additional Shares which Holder is entitled to purchase pursuant to Section 1.7.

Type/Series of Stock: Series B Preferred; provided that if a Next Round occurs and the Next Round Price (as defined below) is less than the Warrant Price, this Warrant shall, instead, to the extent not previously exercised, automatically be exercisable for Next Round Stock at the Next Round Price. As used herein “Next Round Stock” means the class of stock sold by Company to investors in connection with Company’s first bona fide round of equity financing resulting in net cash proceeds to Company of not less than $1,000,000 following the Issue Date, provided that such round of equity financing is consummated prior to (i) the occurrence of an Acquisition in which the provisions of Section 1.6 hereof are satisfied and (ii) the occurrence of an IPO in which the provisions of Section 2.3 hereof are satisfied (the “Next Round”).

Warrant Price: If the Class of Stock is Series B Preferred then $1.20 per share, but if the Class of Stock is Next Round Stock then the Next Round Price. As used herein, “Next Round Price” means the price per share paid by the lead investor for the Next Round Stock in connection with the Next Round.

Issue Date: June 28, 2013

Expiration Date: June 28, 2023 See also Section 5.1(b).

Credit Facility: This Warrant to Purchase Stock (“Warrant”) is issued in connection with that certain Loan and Security Agreement of even date herewith among Oxford Finance LLC, as Lender and Collateral Agent, Silicon Valley Bank, the Lenders from time to time party thereto, and the Company (the “Loan Agreement”).

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, SILICON VALLEY BANK (together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, “Holder”) has delivered to the above-named company (the “Company”) a duly executed signature page to the Stockholder Option and Support Agreement with Genentech, Inc., a Delaware corporation, in the form attached hereto as Appendix 1 (an “Option and Support Agreement”), and is entitled to purchase the above-stated number of fully paid and non-assessable shares (the “Shares”) of the above-stated Type/Series of Stock (the “Class”) of the Company at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Section 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant. Reference is made to Section 5.4 of this Warrant whereby Silicon Valley Bank shall transfer this Warrant to its parent company, SVB Financial Group, subject to the conditions stated therein. FOR CLARIFICATION, THE COMPANY AGREES THAT THE OPTION AND SUPPORT AGREEMENT IS BEING SIGNED BY HOLDER SOLELY IN ITS CAPACITY AS A HOLDER OF EQUITY SECURITIES OF THE COMPANY AND NOT AS A LENDER OR COLLATERAL AGENT. THE
SECTION 1. EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 2 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

\[ X = \frac{Y(A-B)}{A} \]

where:

- \( X \) = the number of Shares to be issued to the Holder;
- \( Y \) = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);
- \( A \) = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and
- \( B \) = the Warrant Price.

1.3 Fair Market Value. If the Company’s common stock is then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a “Trading Market”) and the Class is common stock, the fair market value of a Share shall be the closing price or last sale price of a share of common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If the Company’s common stock is then traded in a Trading Market and the Class is a series of the Company’s convertible preferred stock, the fair market value of a Share shall be the closing price or last sale price of a share of the Company’s common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company multiplied by the number of shares of the Company’s common stock into which a Share is then convertible. If the Company’s common stock is not traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.
1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired (or surrendered pursuant to Section 1.2 to the extent applicable).

1.5 Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company.

(a) Acquisition. For the purpose of this Warrant, “Acquisition” means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company’s domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company’s (or the surviving or successor entity’s) outstanding voting power immediately after such merger, consolidation or reorganization; or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company’s then-total outstanding combined voting power.

(b) Treatment of Warrant at Acquisition. In the event of an Acquisition in which the consideration to be received by the Company’s stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a “Cash/Public Acquisition”), either (i) Holder shall exercise this Warrant pursuant to Section 1.1 and/or 1.2 and such exercise will be deemed effective immediately prior to and contingent upon the consummation of such Acquisition or (ii) if Holder elects not to exercise the Warrant, this Warrant will expire immediately prior to the consummation of such Acquisition.

(c) The Company shall provide Holder with written notice of a contemplated Cash/Public Acquisition (together with such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such contemplated Cash/Public Acquisition giving rise to such notice), which is to be delivered to Holder not less than seven (7) Business Days prior to the closing of the proposed Cash/Public Acquisition. In the event the Company does not provide such notice, then if, immediately prior to the Cash/Public Acquisition, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon such exercise to the Holder and Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as the date thereof.
Upon the closing of any Acquisition other than a Cash/Public Acquisition defined above, the acquiring, surviving or successor entity shall assume the obligations of this Warrant, and this Warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(e) As used in this Warrant, "Marketable Securities" means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in a Trading Market, and (iii) following the closing of such Acquisition, Holder would not be restricted from publicly re-selling all of the issuer’s shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise or convert this Warrant in full on or prior to the closing of such Acquisition, except to the extent that any such restriction (x) arises solely under federal or state securities laws, rules or regulations, and (y) does not extend beyond six (6) months from the closing of such Acquisition.

(f) Notwithstanding anything to the contrary contained in this Warrant, in the event the Genentech Acquisition (as defined in the Loan Agreement) is consummated as a merger pursuant to the Agreement and Plan of Merger dated January 9, 2012 among the Company, Genentech, Inc. and the other parties thereto (the “Merger Agreement”), this Warrant shall be treated in accordance with the terms of Section 8.8(c) of the Merger Agreement.

1.7 Additional Shares. Upon the funding of each Term B Loan (as defined in the Loan Agreement), the Company shall be deemed to have automatically granted to Holder, in addition to the number of Shares which this Warrant can otherwise be exercised for by Holder, the right to purchase that number of additional Shares, rounded upward to the nearest whole number, equal to three percent (3.00%) of the amount of such Term B Loan funded by Silicon Valley Bank divided by the Warrant Price (such additional shares being called the "Additional Shares").

SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Class payable in common stock or other securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Class are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations substitutions, replacements or other similar events.
2.3 **Conversion of Preferred Stock.** If the Class is a class and series of the Company’s convertible preferred stock, in the event that all outstanding shares of the Class are converted, automatically or by action of the holders thereof, into common stock pursuant to the provisions of the Company’s Certificate of Incorporation, including, without limitation, in connection with the Company’s initial, underwritten public offering and sale of its common stock pursuant to an effective registration statement under the Act (the “IPO”), then from and after the date on which all outstanding shares of the Class have been so converted, this Warrant shall be exercisable for such number of shares of common stock into which the Shares would have been converted had the Shares been outstanding on the date of such conversion, and the Warrant Price shall equal the Warrant Price in effect as of immediately prior to such conversion divided by the number of shares of common stock into which one Share would have been converted, all subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant.

2.4 **Adjustments for Diluting Issuances.** Except as would duplicate any adjustment otherwise provided for in this Section 2, the number of shares of common stock issuable upon conversion of the Shares shall be subject to anti-dilution adjustment from time to time in the manner set forth in the Company’s Certificate of Incorporation as if the Shares were issued and outstanding on and as of the date of any such required adjustment.

2.5 **No Fractional Share.** No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.6 **Notice/Certificate as to Adjustments.** Upon each adjustment of the Warrant Price, Class and/or number of Shares, the Company, at the Company’s expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, Class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, Class and number of Shares in effect upon the date of such adjustment.

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY

3.1 **Representations and Warranties.** The Company represents and warrants to, and agrees with, the Holder as follows:

(a) The initial Warrant Price referenced on the first page of this Warrant is not greater than the price per share at which shares of the Class were last sold and issued prior to the Issue Date hereof in an arms-length transaction in which at least $500,000 of such shares were sold.
(b) All Shares which may be issued upon the exercise of this Warrant, and all securities, if any, issuable upon conversion of the Shares, shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of shares of the Class, common stock and other securities as will be sufficient to permit the exercise in full of this Warrant and the conversion of the Shares into common stock or such other securities.

(c) The Company’s capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Class or common stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares of the Class any additional shares of any class or series of the Company’s stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Class;

(d) effect an Acquisition or to liquidate, dissolve or wind up; or

(e) effect an IPO;

then, in connection with each such event, the Company shall give Holder:

(1) at least seven (7) Business Days prior written notice of the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Class will be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (a) and (b) above;

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event); and

(3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

Reference is made to Section 1.6(c) whereby this Warrant will be deemed to be exercised pursuant to Section 1.2 hereof if the Company does not give written notice to Holder of a Cash/Public Acquisition as required by the terms hereof. Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder’s accounting or reporting requirements.
SECTION 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the Shares issuable upon exercise of this Warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) are being acquired for investment for Holder’s account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares (or the securities issuable, directly or indirectly, upon conversion of the Shares, if any).

4.2 Disclosure of Information. Holder is aware of the Company’s business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder’s investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an “accredited investor” within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder’s investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 Market Stand-off Agreement. The Holder agrees that the Shares shall be subject to the market standoff provisions in Section 2.7 of the Company’s Investor Rights Agreement or similar agreement.

4.7 No Voting Rights. Holder, as a Holder of this Warrant, will not have any voting rights until the exercise of this Warrant.
5.1 Term and Automatic Conversion Upon Expiration.

(a) **Term.** Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Pacific time, on the Expiration Date and shall be void thereafter.

(b) **Automatic Cashless Exercise upon Expiration.** In the event that, upon the Expiration Date, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares (or such other securities) issued upon such exercise to Holder.

5.2 **Legends.** The Shares (and the securities issued, directly or indirectly, upon conversion of the Shares, if any) shall be imprinted with a legend in substantially the following form:

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN WARRANT TO PURCHASE STOCK ISSUED BY THE ISSUER TO SILICON VALLEY BANK DATED JUNE 28, 2013, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 **Compliance with Securities Laws on Transfer.** This Warrant and the Shares issued upon exercise of this Warrant (and the securities issued, directly or indirectly, upon conversion of the Shares, if any) may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to SVB Financial Group (Silicon Valley Bank's parent company) or any other affiliate of Holder, provided that any such transferee is an “accredited investor” as defined in Regulation D promulgated under the Act. Additionally, the Company shall also not require an opinion of counsel if the Company and Holder agree that there is no material question as to the availability of Rule 144 promulgated under the Act.

5.4 **Transfer Procedure.** After receipt by Silicon Valley Bank of the executed Warrant, Silicon Valley Bank will transfer all of this Warrant to its parent company, SVB Financial Group, provided that such transfer shall be conditioned upon SVB Financial Group delivering a duly executed signature page to the Option and Support Agreement to the Company. By its acceptance of this Warrant, SVB Financial Group hereby makes to the Company each of the representations and warranties set forth in Section 4 hereof and agrees to be bound by all of the terms and conditions of this Warrant as
if it were the original Holder hereof. Subject to the provisions of Section 5.3 and upon providing the Company with written notice, SVB Financial Group and any subsequent Holder may transfer all or part of this Warrant or the Shares issued upon exercise of this Warrant (or the securities issued directly or indirectly, upon conversion of the Shares, if any) to any transferee, provided, however, in connection with any such transfer, SVB Financial Group or any subsequent Holder will give the Company notice of the portion of the Warrant or the Shares issued upon exercise of this Warrant (or the securities issued, directly or indirectly, upon conversion of the Shares, if any) being transferred with the name, address and taxpayer identification number of the transferee and will surrender this Warrant (and/or the stock certificates representing the Shares issued upon the exercise of this Warrant (or the securities issued directly or indirectly, upon conversion of the Shares, if any) being transferred) to the Company for reissuance to the transferee(s) (and Holder if applicable); and provided further, that any subsequent transferee other than SVB Financial Group (which shall, for the avoidance of doubt, have already delivered a duly executed signature page to the Option and Support Agreement to the Company as provided above) shall deliver a duly executed signature page to the Option and Support Agreement to the Company and agree in writing with the Company to be bound by all of the terms and conditions of this Warrant or to which the Shares issued upon exercise of this Warrant (or the securities issued directly or indirectly, upon conversion of the Shares, if any) being transferred are then subject, as applicable. Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company’s prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, or any shares or other securities issued directly or indirectly upon any conversion of any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.

5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

SVB Financial Group
Attn: Treasury Department
3003 Tasman Drive, HC 215
Santa Clara, CA 95054
Telephone: (408) 654-7400
Facsimile: (408) 988-8317
Email address: derivatives@svb.com

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

Constellation Pharmaceuticals, Inc.
Attn: Chief Financial Officer
215 First Street, Suite 200
Cambridge, MA 02142
Telephone: (617) 714-0555
5.6 **Waiver.** This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 **Attorneys’ Fees.** In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys’ fees.

5.8 **Counterparts; Facsimile/Electronic Signatures.** This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 **Governing Law.** This Warrant shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to its principles regarding conflicts of law.

5.10 **Headings.** The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 **Business Days.** “**Business Day**” is any day that is not a Saturday, Sunday or a day on which Silicon Valley Bank is closed.

[Remainder of page left blank intentionally]

[Signature page follows]
IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

“COMPANY”

CONSTELLATION PHARMACEUTICALS, INC.

By: /s/ Matthias Jaffe
Name: Matthias Jaffe
Title: CFO

“HOLDER”

SILICON VALLEY BANK

By: /s/ Christina M. Zorzi
Name: Christina M. Zorzi
Title: VP

[SIGNATURE PAGE TO WARRANT TO PURCHASE STOCK – SVB]
This STOCKHOLDER OPTION AND SUPPORT AGREEMENT, dated as of [date], (this “Agreement”), is by and between Genentech, Inc., a Delaware corporation (“Parent”), and [Stockholder’s name] (“Stockholder”).

WHEREAS, Stockholder owns shares of common stock or preferred stock of Constellation Pharmaceuticals, Inc., a Delaware corporation (the “Company”);

WHEREAS, Parent and the Company have entered into an Option Agreement, dated as of the date hereof (the “Option Agreement”), which provides, upon the terms and subject to the conditions thereof, for the Company to grant to Parent an option to acquire all of the equity interests of the Company either pursuant to the terms of the Merger Agreement (as defined below) or, in the sole discretion of Parent, to elect to structure the acquisition of the Company as an acquisition of all of the equity interests held by such holders of equity in the Company as are party to a stockholder option and support agreement substantially in the form of this Agreement, pursuant to a stock purchase agreement, the form of which will contain terms that are consistent in all material respects with the Merger Agreement (the “Option”);

WHEREAS, Parent, Hydra Acquisition Corp., a Delaware corporation (“AcquisitionCo”), the Company, and Robert Tepper M.D., as representative of Third Rock Ventures, as representative of the Participating Equity Holders, have entered into an Agreement and Plan of Merger, dated as of the date hereof (the “Merger Agreement”), which provides, upon the terms and subject to the conditions thereof, for the merger (the “Merger”) of AcquisitionCo with and into the Company, with the Company continuing as the surviving corporation in the Merger; and

WHEREAS, as an inducement to Parent to enter into the Option Agreement and the Merger Agreement, Parent has requested that Stockholder enter into, and in order to induce Parent to enter into the Option Agreement and the Merger Agreement, Stockholder has agreed to enter into, certain arrangements with respect to approval of the Option and the Merger.

NOW, THEREFORE, in consideration of the mutual premises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Termination of Agreement. This Agreement shall terminate upon the termination of the Merger Agreement in accordance with the terms thereof; provided, however, that nothing in this Section 1 shall relieve any party of liability for any breach of this Agreement.

2. Support.


2.2. Voting Agreement. Stockholder, by this Agreement, with respect to all of the shares of common stock or preferred stock of the Company owned or hereafter acquired by Stockholder (collectively, the “Shares”), hereby covenants and agrees to vote or cause to be voted, at any meeting of stockholders of the Company, however called, and in any action by written consent of the stockholders of the Company, all of the Shares in favor of the adoption of the Option Agreement and the Merger Agreement and the approval of the Option, the Merger, and all of the transactions contemplated by the Option Agreement and the Merger Agreement, including the acquisition of all of the equity interests of the Company by Parent or its affiliates in the form of a stock purchase agreement, and against any Acquisition Proposal (as defined in the Option Agreement) or any other proposal pursuant to which any Person would acquire Shares that would reasonably be expected to prevent, delay, or postpone the transactions contemplated by the Option Agreement or the Merger Agreement.

2.3. Transfer of Shares. Stockholder agrees not to, directly or indirectly, at any time prior to the Effective Time, other than as may be required by a court order, (a) sell, assign, transfer (including by operation of law), pledge, dispose of or otherwise encumber any of the Shares or otherwise agree to do any of the foregoing (a “Transfer”) unless the recipient of such shares, as a condition to such Transfer, executes and delivers to Parent a Stockholder Option and Support Agreement in the form of this Agreement, (b) deposit any Shares into a voting trust or enter into a voting agreement or arrangement or grant any proxy or power of attorney with respect thereto that is inconsistent with this Agreement or (c) enter into any contract, option or other arrangement or undertaking with respect to the direct or indirect sale, assignment, transfer (including by operation of law) or other disposition by Stockholder of any Shares unless the recipient of such shares,
as a condition to such Transfer, executes and delivers to Parent a Stockholder Option and Support Agreement in the form of this Agreement. Any Transfer or attempted Transfer of any Shares in violation of any provision of this Agreement shall be void and of no force or effect, and the Company shall not record such Transfer on its books or treat any purported transferee of such Shares as the owner of such shares for any purpose.

2.4. Legend. Concurrently with the execution of this Agreement, there shall be imprinted or otherwise placed, on certificates representing shares of common stock or preferred stock of the Company, the following restrictive legend (the “Legend”):

“THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS AND CONDITIONS OF A STOCKHOLDER OPTION AND SUPPORT AGREEMENT WHICH PLACES CERTAIN RESTRICTIONS ON THE VOTING AND TRANSFER OF THE SHARES REPRESENTED HEREBY. ANY PERSON ACCEPTING ANY INTEREST IN SUCH SHARES SHALL BE DEEMED TO AGREE TO AND SHALL BECOME BOUND BY ALL THE PROVISIONS OF SUCH AGREEMENT. A COPY OF SUCH STOCKHOLDER OPTION AND SUPPORT AGREEMENT WILL BE FURNISHED TO THE RECORD HOLDER OF THIS CERTIFICATE WITHOUT CHARGE UPON WRITTEN REQUEST TO THE COMPANY AT ITS PRINCIPAL PLACE OF BUSINESS.”

The Company agrees that, during the term of this Agreement, it will not remove, and will not permit to be removed (upon registration of transfer, reissuance or otherwise), the Legend from any such certificate and will place or cause to be placed the Legend on any new certificate representing shares of common stock or preferred stock of the Company issued.

2.5. Stock Purchase Agreement. In the event that Parent or its affiliates exercise the Option and pursuant thereto elect to acquire equity interests of the Company pursuant to a stock purchase agreement, the form of which will contain terms that are consistent in all material respects with the terms of the Merger Agreement (the “Stock Purchase Agreement”), Stockholder agrees that it shall enter into the Stock Purchase Agreement, pursuant to which Stockholder will agree to sell all of its Shares to Parent or its affiliates on such terms, and to take such other actions, in each case that are consistent with the Stock Purchase Agreement, as may reasonably be required by Parent to effect the acquisition of the Company by Parent, including the provision of information customarily provided by a stockholder in connection with such a transaction and the execution of customary conveyance instruments.

3. Notices. All notices, requests, claims, demands and other communications under this Agreement will be in writing and will be deemed given if delivered personally, when sent by receipt requested electronic mail, or the next business day if sent by overnight courier (providing proof of delivery), or on the same business day if sent via facsimile on a business day during normal business hours to the parties at the following addresses (or at such other address for a party as specified by like notice), or to such other address as such party may indicate by a notice delivered to the other party hereto:

If to Parent, to:

Genentech, Inc.
One DNA Way
South San Francisco, CA 94080
Telephone: 650-225-1000
Fax: 650-467-9146
Attention: Corporate Secretary

with copies (which shall not constitute notice) to:

F. Hoffmann-La Roche Ltd
Grenzacherstrasse 124
CH 4070 Basel
Switzerland
Attention: Group Legal Department
Facsimile: +41 61 688 13 96
4. Miscellaneous.

4.1. Entire Agreement; Amendments. This Agreement contains the entire understanding of the parties hereto with regard to the subject matter hereof and supersedes all other prior agreements or understandings between the parties hereto. This Agreement shall not be amended, modified or supplemented except by a written instrument signed by Stockholder and an authorized representative of Parent.

4.2. Confidentiality. Stockholder shall hold any information regarding this Agreement, the Option, the Option Agreement, the Merger, the Merger Agreement and the transactions contemplated hereby and thereby (the “Confidential Information”) in strict confidence and shall not divulge any such information to any third person unless otherwise so required by a court of competent jurisdiction; provided, that if Stockholder is not a natural person and has a fiduciary or contractual duty to disclose any Confidential Information to its limited partners or members, Stockholder shall be permitted to disclose such Confidential Information to its limited partners or members, provided that Stockholder first informs such limited partners or members that such Confidential Information is confidential and directs such limited partner or member to maintain the confidentiality of such information in accordance with the terms of this Agreement. Neither the Stockholder nor any of its affiliates shall issue or cause the publication of any press release or other public statement with respect to this Agreement, the Option, the Option Agreement, the Merger, the Merger Agreement and the transactions contemplated hereby and thereby without the prior written consent of Parent.

4.3. Partial Invalidity. Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such provision shall be ineffective to the extent, but only to the extent, of such invalidity, illegality or unenforceability without invalidating the remainder of such invalid, illegal or unenforceable provision or provisions or any other provision hereof, unless such a construction would be unreasonable.

4.4. Waivers. Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof. Any such waiver shall be validly and sufficiently authorized for the purposes of this Agreement if, as to any party, it is authorized in writing by an authorized representative of such party. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to constitute a waiver of such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

4.5. Binding Effect; Assignment. Parent may assign its rights and obligations under this Agreement to any of Parent’s affiliates without the consent of Stockholder. Stockholder’s rights or obligations under this Agreement may not be assigned. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and permitted assigns. The successors and permitted assigns hereunder shall include, in the case of Parent, any assignee as well as the successors in interest to such assignee (whether by merger, liquidation (including successive mergers or liquidations) or otherwise). Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any person or entity other than the parties, their successors and assigns permitted by this Section 4.5 any right, remedy or claim under or by reason of this Agreement.

4.6. Headings. The headings contained in this Agreement are for convenience of reference only and shall not be deemed a part of or to affect the meaning or interpretation of this Agreement.

4.7. Governing Law. This Agreement shall be construed in accordance with, and governed in all respects by, the internal laws of the State of Delaware (without giving effect to principles of conflicts of laws).
4.8. Jurisdiction. Any legal proceeding relating to this Agreement or the enforcement of any provision of this Agreement (including a legal proceeding based upon intentional misrepresentation or fraud) may be brought or otherwise commenced in the Court of Chancery of the State of Delaware, New Castle County, or, if that court does not have jurisdiction, a federal court sitting in Wilmington, Delaware. Each party to this Agreement hereby irrevocably: (a) consents to submit itself in any suit, action or proceeding arising out of or related to this Agreement to the exclusive personal jurisdiction of the Court of Chancery of the State of Delaware, New Castle County, or, if that court does not have jurisdiction, a federal court sitting in Wilmington, Delaware; (b) agrees that it will not attempt to defeat or deny such personal jurisdiction by motion or other request for leave from such court; and (c) agrees that it will not bring any action arising out of or related to this Agreement in any court other than any such court.

4.9. Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF THE PARTIES IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF.

4.10. Execution in Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement, and shall become binding when each party to this Agreement has executed a counterpart to this Agreement and delivered such counterpart to the other party to this Agreement.

4.11. Interpretation. For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include the masculine and feminine genders. The undersigned hereto agrees that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement. As used in this Agreement, the words “include” and “including,” and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words “without limitation.” For purposes of this Agreement, the use of the word “or” shall not be exclusive. Except as otherwise indicated, all references in this Agreement to “Sections” are intended to refer to Sections of this Agreement.
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

GENENTECH, INC.

By: ________________________________
Name: ____________________________
Title: ______________________________

[SIGNATURE PAGE TO STOCKHOLDER OPTION AND SUPPORT AGREEMENT]
STOCKHOLDER:

SVB FINANCIAL GROUP

By: ________________________________
Name: ______________________________
Address: 3003 Tasman Drive, HC 215
          Santa Clara, CA 95054
          Attention: Treasury Department
          Tel.: (408) 654-7400
          Fax: (408) 988-8317

[SIGNATURE PAGE TO STOCKHOLDER OPTION AND SUPPORT AGREEMENT]
STOCKHOLDER:

SILICON VALLEY BANK

By: 

Name: 

Address: 275 Grove Street, Suite 2-200
Newton, MA 02466
Attention: 
Tel.: 
Fax: 

[SIGNATURE PAGE TO STOCKHOLDER OPTION AND SUPPORT AGREEMENT]
EXHIBIT A

COMPANY SECURITIES BENEFICIAJLY OWNED BY STOCKHOLDER

_________ Shares of Common Stock
_________ Shares of Series A Convertible Preferred Stock
_________ Shares of Series B Convertible Preferred Stock
_________ Shares of Common Stock subject to outstanding stock options
_________ Shares of Common Stock or Preferred Stock subject to outstanding warrants
NOTICE OF EXERCISE

1. The undersigned Holder hereby exercises its right to purchase ___________ shares of the Common/Series ______ Preferred [circle one] Stock of CONSTELLATION PHARMACEUTICALS, INC. (the “Company”) in accordance with the attached Warrant To Purchase Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

[ ] check in the amount of $_______ payable to order of the Company enclosed herewith

[ ] Wire transfer of immediately available funds to the Company’s account

[ ] Cashless Exercise pursuant to Section 1.2 of the Warrant

[ ] Other [Describe] __________________________________________

2. Please issue a certificate or certificates representing the Shares in the name specified below:

_________________________________________

Holder’s Name

_________________________________________

(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Stock as of the date hereof.

HOLDER:

_________________________________________

By: _______________________________________

Name: _____________________________________

Title: _____________________________________

(Date): ________________________________

Appendix 2
SCHEDULE 1

Company Capitalization Table

See attached

Schedule 1
THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR THE SECURIETIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE STOCK

(Term B Loan)

Company: Constellation Pharmaceuticals, Inc., a Delaware corporation
Number of Shares: 75,000
Type/Series of Stock: Series B Preferred
Warrant Price: $1.20 per share
Issue Date: September 30, 2014
Expiration Date: September 30, 2024 See also Section 5.1(b).
Credit Facility: This Warrant to Purchase Stock (“Warrant”) is issued in connection with that certain Loan and Security Agreement dated June 28, 2013, among Oxford Finance LLC, as Lender and Collateral Agent, the Lenders from time to time party thereto, including Silicon Valley Bank and the Company (as modified, amended and/or restated from time to time, the “Loan Agreement”).

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, (i) OXFORD FINANCE LLC (“Oxford” and, together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, “Holder”) has previously delivered to the above-named company (the “Company”) a duly executed signature page to a Stockholder Option and Support Agreement with Genentech, Inc., a Delaware corporation, in the form attached as Appendix 1 to the Warrant to Purchase Stock issued by the Company to Oxford on June 28, 2013 (an “Option and Support Agreement”), (ii) Holder is entitled to purchase the above-stated number of fully paid and non-assessable shares (the “Shares”) of the above-stated Type/Series of Stock (the “Class”) of the Company at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Section 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant and (iii) this Warrant and the Shares, when issued, are and shall be subject to the terms and conditions of the Option and Support Agreement. FOR CLARIFICATION, THE COMPANY AGREES THAT THE OPTION AND SUPPORT AGREEMENT HAS BEEN SIGNED BY HOLDER SOLELY IN ITS CAPACITY AS A HOLDER OF EQUITY SECURITIES OF THE COMPANY AND NOT AS A LENDER OR COLLATERAL AGENT. THE COMPANY AGREES THAT SUCH OPTION AND SUPPORT AGREEMENT SHALL NOT BIND HOLDER OR ANY OF ITS AFFILIATES IN HOLDER’S OR SUCH AFFILIATE’S CAPACITY AS A LENDER OR COLLATERAL AGENT IN ANY WAY, NOR SHALL IT AFFECT OR IN ANY WAY IMPAIR ANY RIGHTS OR REMEDIES THAT HOLDER OR ITS AFFILIATE MAY HAVE WITH RESPECT TO HOLDER’S OR SUCH AFFILIATE’S LOAN FACILITY WITH THE COMPANY. The two preceding sentences are not intended to impair Genentech, Inc.’s rights with respect to the equity securities as covered by the Option and Support Agreement.

SECTION 1. EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

\[
\text{Number of Shares} = \frac{\text{Warrant Price} \times \text{Warranted Shares}}{\text{Current Market Price}}
\]
where:

\[ X = \frac{Y(A-B)}{A} \]

- **X** = the number of Shares to be issued to the Holder;
- **Y** = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);
- **A** = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and
- **B** = the Warrant Price.

**1.3 Fair Market Value.** If the Company’s common stock is then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a “Trading Market”) and the Class is common stock, the fair market value of a Share shall be the closing price or last sale price of a share of common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If the Company’s common stock is then traded in a Trading Market and the Class is a series of the Company’s convertible preferred stock, the fair market value of a Share shall be the closing price or last sale price of a share of the Company’s common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company multiplied by the number of shares of the Company’s common stock into which a Share is then convertible. If the Company’s common stock is not traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.

**1.4 Delivery of Certificate and New Warrant.** Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired (or surrendered pursuant to Section 1.2 to the extent applicable).

**1.5 Replacement of Warrant.** On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

**1.6 Treatment of Warrant Upon Acquisition of Company.**

(a) **Acquisition.** For the purpose of this Warrant, “Acquisition” means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company; (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company’s domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company’s (or the surviving or successor entity’s) outstanding voting power immediately after such merger, consolidation or reorganization (or, if such Company stockholders beneficially own a majority of the outstanding voting power of the surviving or successor entity as of immediately after such merger, consolidation or reorganization, such surviving or successor entity is not the Company); or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company’s then-total outstanding combined voting power.
(b) Treatment of Warrant at Acquisition. In the event of an Acquisition in which the consideration to be received by the Company’s stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a “Cash/Public Acquisition”), either (i) Holder shall exercise this Warrant pursuant to Section 1.1 and/or 1.2 and such exercise will be deemed effective immediately prior to and contingent upon the consummation of such Acquisition or (ii) if Holder elects not to exercise the Warrant, this Warrant will expire immediately prior to the consummation of such Acquisition.

(c) The Company shall provide Holder with written notice of a contemplated Cash/Public Acquisition (together with such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such contemplated Cash/Public Acquisition giving rise to such notice), which is to be delivered to Holder not less than seven (7) Business Days prior to the closing of the proposed Cash/Public Acquisition. In the event the Company does not provide such notice, then if, immediately prior to the Cash/Public Acquisition, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon such exercise to the Holder and Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as of the date thereof.

(d) Upon the closing of any Acquisition other than a Cash/Public Acquisition defined above, the acquiring, surviving or successor entity shall assume the obligations of this Warrant, and this Warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(e) As used in this Warrant, “Marketable Securities” means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in a Trading Market, and (iii) Holder would be able to publicly re-sell, within six (6) months and one (1) day following the closing of such Acquisition, all of the issuer’s shares and/or other securities that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing of such Acquisition.

(f) Genentech Acquisition. Notwithstanding anything to the contrary contained in this Warrant, in the event the Genentech Acquisition (as defined in the Loan Agreement) is consummated as a merger pursuant to the Agreement and Plan of Merger dated January 9, 2012 among the Company, Genentech, Inc. and the other parties thereto (the “Merger Agreement”), this Warrant shall be treated in accordance with the terms of Section 8.8(c) of the Merger Agreement.

1.7 Adjustment to Class of Shares; Number of Shares; Warrant Price; Adjustments Cumulative. In the event of a preferred stock equity financing by the Company after the Issue Date the gross proceeds of which equal at least One Million Dollars ($1,000,000) (the “Next Round”), if the price per share (the “Next Round Price”) of such shares of preferred stock (the “Next Round Stock”) is less than the Warrant Price, this Warrant shall, instead of being exercisable for the above-stated Shares at the above-stated Warrant Price, be exercisable, automatically and without further action by Holder, for Shares of the Next Round Stock at the Next Round Price (with the number of such shares subject of this Warrant automatically adjusted to equal (i) the aggregate Number of Shares for which this Warrant is then exercisable (as adjusted hereunder, but before giving effect to this Section 1.7) multiplied by (ii) the quotient of (x) the Warrant Price divided by (y) the Next Round Price). The rights set forth in this Section 1.7 shall (i) only apply to the first Next Round that occurs after the Issue Date and shall not apply to any other financing and (ii) shall terminate (x), in the case of the occurrence of an Acquisition, then upon the satisfaction of the provisions of Section 1.6 hereof and (y) in the case of the occurrence of an IPO (defined below), then upon the satisfaction of Section 2.3 hereof. Any adjustment to the Class of Shares, Number of Shares and/or Warrant Price made as a result of this Article 1.7 shall be in addition to any adjustment(s) to be made in accordance with Article 2 hereof.

3
SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 *Stock Dividends, Splits, Etc.* If the Company declares or pays a dividend or distribution on the outstanding shares of the Class payable in common stock or other securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 *Reclassification, Exchange, Combinations or Substitution.* Upon any event whereby all of the outstanding shares of the Class are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations substitutions, replacements or other similar events.

2.3 *Conversion of Preferred Stock.* If the Class is a class and series of the Company’s convertible preferred stock, in the event that all outstanding shares of the Class are converted, automatically or by action of the holders thereof, into common stock pursuant to the provisions of the Company’s Certificate of Incorporation, including, without limitation, in connection with the Company’s initial, underwritten public offering and sale of its common stock pursuant to an effective registration statement under the Act (the “IPO”), then from and after the date on which all outstanding shares of the Class have been so converted, this Warrant shall be exercisable for such number of shares of common stock into which the Shares would have been converted had the Shares been outstanding on the date of such conversion, and the Warrant Price shall equal the Warrant Price in effect as of immediately prior to such conversion divided by the number of shares of common stock into which one Share would have been converted, all subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant.

2.4 *Adjustments for Diluting Issuances.* Except as would duplicate any adjustment otherwise provided for in this Section 2, the number of shares of common stock issuable upon conversion of the Shares shall be subject to anti-dilution adjustment from time to time in the manner set forth in the Company’s Certificate of Incorporation as if the Shares were issued and outstanding on and as of the date of any such required adjustment.

2.5 *No Fractional Share.* No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.6 *Notice/Certificate as to Adjustments.* Upon each adjustment of the Warrant Price, Class and/or number of Shares, the Company, at the Company’s expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, Class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, Class and number of Shares in effect upon the date of such adjustment.
SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) The initial Warrant Price referenced on the first page of this Warrant is not greater than the price per share at which shares of the Class were last sold and issued prior to the Issue Date hereof in an arms-length transaction in which at least $500,000 of such shares were sold.

(b) All Shares which may be issued upon the exercise of this Warrant, and all securities, if any, issuable upon conversion of the Shares, shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of shares of the Class, common stock and other securities as will be sufficient to permit the exercise in full of this Warrant and the conversion of the Shares into common stock or such other securities.

(c) The Company’s capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Class or common stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares of the Class any additional shares of any class or series of the Company’s stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Class;

(d) effect an Acquisition or to liquidate, dissolve or wind up; or

(e) effect an IPO;

then, in connection with each such event, the Company shall give Holder:

(1) at least seven (7) Business Days prior written notice of the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Class will be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (a) and (b) above;

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event); and

(3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

Reference is made to Section 1.6(c) whereby this Warrant will be deemed to be exercised pursuant to Section 1.2 hereof if the Company does not give written notice to Holder of a Cash/Public Acquisition as required by the terms hereof. Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder’s accounting or reporting requirements.
SECTION 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the Shares issuable upon exercise of this Warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) are being acquired for investment for Holder’s account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares (or the securities issuable, directly or indirectly, upon conversion of the Shares, if any).

4.2 Disclosure of Information. Holder is aware of the Company’s business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder’s investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an “accredited investor” within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder’s investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 Market Stand-off Agreement. The Holder agrees that the Shares shall be subject to the market standoff provisions in Section 2.8 of the Company’s Investor Rights Agreement or similar agreement.

4.7 No Voting Rights. Holder, as a Holder of this Warrant, will not have any voting rights until the exercise of this Warrant.

SECTION 5. MISCELLANEOUS.

5.1Term; Automatic Cashless Exercise Upon Expiration.

(a) Term. Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Eastern time, on the Expiration Date and shall be void thereafter.
Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares (or such other securities) issued upon such exercise to Holder.

5.2 Legends. Each certificate evidencing Shares (and each certificate evidencing the securities issued, directly or indirectly, upon conversion of any Shares, if any) shall be imprinted with a legend in substantially the following form:

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN WARRANT TO PURCHASE STOCK ISSUED BY THE ISSUER TO OXFORD FINANCE LLC DATED SEPTEMBER 30, 2014, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issued upon exercise of this Warrant (and the securities issued, directly or indirectly, upon conversion of the Shares, if any) may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to an affiliate of Holder, provided that any such transferee is an “accredited investor” as defined in Regulation D promulgated under the Act. Additionally, the Company shall also not require an opinion of counsel if the Company and Holder agree that there is no material question as to the availability of Rule 144 promulgated under the Act.

5.4 Transfer Procedure. After receipt by Oxford of the executed Warrant, Oxford may transfer all or part of this Warrant to one or more of Oxford’s affiliates (each, an “Oxford Affiliate”), by execution of an Assignment substantially in the form of Appendix 2 and delivery by the transferee to the Company of a duly executed signature page to the Option and Support Agreement (unless such Oxford Affiliate has previously delivered to the Company an executed signature page to the Option and Support Agreement and acknowledges in connection with such transfer that the portion of the Warrant transferred and the securities issuable thereunder will be subject to the terms of the Option and Support Agreement). Subject to the provisions of Section 5.3 and upon providing the Company with written notice, Oxford, any such Oxford Affiliate and any subsequent Holder, may transfer all or part of this Warrant or the Shares issued upon exercise of this Warrant (or the securities issued, directly or indirectly, upon conversion of the Shares, if any) to any other transferee, provided, however, in connection with any such transfer, the Oxford Affiliate(s) or any subsequent Holder will give the Company notice of the portion of the Warrant or the Shares issued upon exercise of this Warrant (or the securities issued, directly or indirectly, upon conversion of the Shares, if any) being transferred with the name, address and taxpayer identification number of the transferee and will surrender this Warrant (and/or any stock certificates representing the Shares issued upon exercise of this Warrant (or the securities issued directly or indirectly, upon conversion of the Shares, if any) being transferred) to the Company for reissuance to the transferee(s) (and Holder if applicable); and provided further, that such transferee shall deliver a duly executed signature page to the Option and Support Agreement to the Company and agree in writing with the Company to be bound by all of the terms and conditions of this Warrant or to which the Shares issued upon exercise of this Warrant (or the securities issued directly or indirectly, upon conversion of the Shares, if any) being transferred are then subject, as applicable. Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company’s prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, or any shares or other securities issued directly or indirectly upon any conversion of any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.
5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

Oxford Finance LLC
133 N. Fairfax Street
Alexandria, VA 22314
Attn: Legal Department
Telephone: (703) 519-4900
Facsimile: (703) 519-5225
Email: LegalDepartment@oxfordfinance.com

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

Constellation Pharmaceuticals, Inc.
Attn: Chief Financial Officer
215 First Street, Suite 200
Cambridge, MA 02142
Telephone: (617) 714-0555
Facsimile: (617) 577-0472
Email: Matthias.Jaffe@ConstellationPharma.com

With a copy (which shall not constitute notice) to:

Wilmer Cutler Pickering Hale and Dorr LLP
Attn: Steven D. Singer, Esq.
60 State Street
Boston, MA 02109
Telephone: (617) 526-6000
Facsimile: (617) 526-5000
Email: steven.singer@wilmerhale.com

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorneys’ Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys’ fees.

5.8 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to its principles regarding conflicts of law.

5.10 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.
5.11 Business Days. “Business Day” is any day that is not a Saturday, Sunday or a day on which Silicon Valley Bank is closed.

[Remainder of page left blank intentionally]

[Signature page follows]
IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

“COMPANY”

CONSTELLATION PHARMACEUTICALS, INC.

By: /s/ Matthias Jaffe
Name: Matthias Jaffe
Title: CFO

“HOLDER”

OXFORD FINANCE LLC

By: /s/ Mark Davis
Name: Mark Davis
Title: Vice President – Finance, Secretary & Treasurer

[Signature Page to Warrant to Purchase Stock – Oxford Term B #1]
APPENDIX 1

NOTICE OF EXERCISE

1. The undersigned Holder hereby exercises its right to purchase ___________ shares of the Common/Series ______ Preferred [circle one] Stock of Constellation Pharmaceuticals, Inc. (the "Company") in accordance with the attached Warrant To Purchase Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

[ ] check in the amount of $_______ payable to order of the Company enclosed herewith

[ ] Wire transfer of immediately available funds to the Company’s account

[ ] Cashless Exercise pursuant to Section 1.2 of the Warrant

[ ] Other [Describe] __________________________________________

2. Please issue a certificate or certificates representing the Shares in the name specified below:

___________________________________________________________

Holder’s Name

___________________________________________________________

(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Stock as of the date hereof.

HOLDER:

___________________________________________________________

By: ___________________________________

Name: _______________________________

Title: _______________________________

Date: _______________________________

Appendix 1
APPENDIX 2

ASSIGNMENT

For value received, Oxford Finance LLC hereby sells, assigns and transfers unto

Name: [OXFORD TRANSFEREE]
Address: ____________________________
Tax ID: ______________________________

that certain Warrant to Purchase Stock issued by Constellation Pharmaceuticals, Inc. (the “Company”), on September 30, 2014 (the “Warrant”) together with all rights, title and interest therein.

OXFORD FINANCE LLC
By: ________________________________
Name: ______________________________
Title: ________________________________
Date: ________________________________

By its execution below, and for the benefit of the Company, [OXFORD TRANSFEREE] makes each of the representations and warranties set forth in Article 4 of the Warrant and agrees to all other provisions of the Warrant as of the date hereof.

[OXFORD TRANSFEREE]
By: ________________________________
Name: ______________________________
Title: ________________________________

Appendix 2
THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE STOCK

(Term B Loan)

Company: Constellation Pharmaceuticals, Inc., a Delaware corporation
Number of Shares: 91,667
Type/Series of Stock: Series B Preferred
Warrant Price: $1.20 per share
Issue Date: September 30, 2014
Expiration Date: September 30, 2024 See also Section 5.1(b).
Credit Facility: This Warrant to Purchase Stock ("Warrant") is issued in connection with that certain Loan and Security Agreement dated June 28, 2013, among Oxford Finance LLC, as Lender and Collateral Agent, the Lenders from time to time party thereto, including Silicon Valley Bank and the Company (as modified, amended and/or restated from time to time, the "Loan Agreement").

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, (i) OXFORD FINANCE LLC ("Oxford" and, together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, "Holder") has previously delivered to the above-named company (the "Company") a duly executed signature page to a Stockholder Option and Support Agreement with Genentech, Inc., a Delaware corporation, in the form attached as Appendix 1 to the Warrant to Purchase Stock issued by the Company to Oxford on June 28, 2013 (an "Option and Support Agreement"), (ii) Holder is entitled to purchase the above-stated number of fully paid and non-assessable shares (the "Shares") of the above-stated Type/Series of Stock (the "Class") of the Company at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Section 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant and (iii) this Warrant and the Shares, when issued, are and shall be subject to the terms and conditions of the Option and Support Agreement. FOR CLARIFICATION, THE COMPANY AGREES THAT THE OPTION AND SUPPORT AGREEMENT HAS BEEN SIGNED BY HOLDER SOLELY IN ITS CAPACITY AS A HOLDER OF EQUITY SECURITIES OF THE COMPANY AND NOT AS A LENDER OR COLLATERAL AGENT. THE COMPANY AGREES THAT SUCH OPTION AND SUPPORT AGREEMENT SHALL NOT BIND HOLDER OR ANY OF ITS AFFILIATES IN HOLDER’S OR SUCH AFFILIATE’S CAPACITY AS A LENDER OR COLLATERAL AGENT IN ANY WAY, NOR SHALL IT AFFECT OR IN ANY WAY IMPAIR ANY RIGHTS OR REMEDIES THAT HOLDER OR ITS AFFILIATE MAY HAVE WITH RESPECT TO HOLDER’S OR SUCH AFFILIATE’S LOAN FACILITY WITH THE COMPANY. The two preceding sentences are not intended to impair Genentech, Inc.’s rights with respect to the equity securities as covered by the Option and Support Agreement.

SECTION 1. EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:
X = (A-B)/A

where:

X = the number of Shares to be issued to the Holder;
Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);
A = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and
B = the Warrant Price.

1.3 Fair Market Value. If the Company’s common stock is then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a “Trading Market”) and the Class is common stock, the fair market value of a Share shall be the closing price or last sale price of a share of common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If the Company’s common stock is then traded in a Trading Market and the Class is a series of the Company’s convertible preferred stock, the fair market value of a Share shall be the closing price or last sale price of a share of the Company’s common stock into which a Share is then convertible. If the Company’s common stock is not traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired (or surrendered pursuant to Section 1.2 to the extent applicable).

1.5 Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company.

(a) Acquisition. For the purpose of this Warrant, “Acquisition” means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company’s domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company’s (or the surviving or successor entity’s) outstanding voting power immediately after such merger, consolidation or reorganization (or, if such Company stockholders beneficially own a majority of the outstanding voting power of the surviving or successor entity as of immediately after such merger, consolidation or reorganization, such surviving or successor entity is not the Company); or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company’s then-total outstanding combined voting power.
(b) **Treatment of Warrant at Acquisition.** In the event of an Acquisition in which the consideration to be received by the Company’s stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a “Cash/Public Acquisition”), either (i) Holder shall exercise this Warrant pursuant to Sections 1.1 and/or 1.2 and such exercise will be deemed effective immediately prior to and contingent upon the consummation of such Acquisition or (ii) if Holder elects not to exercise the Warrant, this Warrant will expire immediately prior to the consummation of such Acquisition.

(c) The Company shall provide Holder with written notice of a contemplated Cash/Public Acquisition (together with such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such contemplated Cash/Public Acquisition giving rise to such notice), which is to be delivered to Holder not less than seven (7) Business Days prior to the closing of the proposed Cash/Public Acquisition. In the event the Company does not provide such notice, then if, immediately prior to the Cash/Public Acquisition, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon such exercise to the Holder and Holder shall be deemed to have re-stated each of the representations and warranties in Section 4 of the Warrant as of the date thereof.

(d) Upon the closing of any Acquisition other than a Cash/Public Acquisition defined above, the acquiring, surviving or successor entity shall assume the obligations of this Warrant, and this Warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(e) As used in this Warrant, “Marketable Securities” means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in a Trading Market, and (iii) Holder would be able to publicly re-sell, within six (6) months and one (1) day following the closing of such Acquisition, all of the issuer’s shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise this Warrant on or prior to the closing of such Acquisition.

(f) **Genentech Acquisition.** Notwithstanding anything to the contrary contained in this Warrant, in the event the Genentech Acquisition (as defined in the Loan Agreement) is consummated as a merger pursuant to the Agreement and Plan of Merger dated January 9, 2012 among the Company, Genentech, Inc. and the other parties thereto (the “Merger Agreement”), this Warrant shall be treated in accordance with the terms of Section 8.8(c) of the Merger Agreement.

1.7 **Adjustment to Class of Shares; Number of Shares; Warrant Price; Adjustments Cumulative.** In the event of a preferred stock equity financing by the Company after the Issue Date the gross proceeds of which equal at least One Million Dollars ($1,000,000) (the “Next Round”), if the price per share (the “Next Round Price”) of such shares of preferred stock (the “Next Round Stock”) is less than the Warrant Price, this Warrant shall, instead of being exercisable for the above-stated Shares at the above-stated Warrant Price, be exercisable, automatically and without further action by Holder, for Shares of the Next Round Stock at the Next Round Price (with the number of such shares subject of this Warrant automatically adjusted to equal (i) the aggregate Number of Shares for which this Warrant is then exercisable (as adjusted hereunder, but before giving effect to this Section 1.7) multiplied by (ii) the quotient of (x) the Warrant Price divided by (y) the Next Round Price). The rights set forth in this Section 1.7 shall (i) only apply to the first Next Round that occurs after the Issue Date and shall not apply to any other financing and (ii) shall terminate (x), in the case of the occurrence of an Acquisition, then upon the satisfaction of the provisions of Section 1.6 hereof and (y) in the case of the occurrence of an IPO (defined below), then upon the satisfaction of Section 2.2 hereof. Any adjustment to the Class of Shares, Number of Shares and/or Warrant Price made as a result of this Article 1.7 shall be in addition to any adjustment(s) to be made in accordance with Article 2 hereof.
SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Class payable in common stock or other securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Class are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations substitutions, replacements or other similar events.

2.3 Conversion of Preferred Stock. If the Class is a class and series of the Company’s convertible preferred stock, in the event that all outstanding shares of the Class are converted, automatically or by action of the holders thereof, into common stock pursuant to the provisions of the Company’s Certificate of Incorporation, including, without limitation, in connection with the Company’s initial, underwritten public offering and sale of its common stock pursuant to an effective registration statement under the Act (the “IPO”), then from and after the date on which all outstanding shares of the Class have been so converted, this Warrant shall be exercisable for such number of shares of common stock into which the Shares would have been converted had the Shares been outstanding on the date of such conversion, and the Warrant Price shall equal the Warrant Price in effect as of immediately prior to such conversion divided by the number of shares of common stock into which one Share would have been converted, all subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant.

2.4 Adjustments for Diluting Issuances. Except as would duplicate any adjustment otherwise provided for in this Section 2, the number of shares of common stock issuable upon conversion of the Shares shall be subject to anti-dilution adjustment from time to time in the manner set forth in the Company’s Certificate of Incorporation as if the Shares were issued and outstanding on and as of the date of any such required adjustment.

2.5 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.6 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Class and/or number of Shares, the Company, at the Company’s expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, Class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, Class and number of Shares in effect upon the date of such adjustment.
3.1 **Representations and Warranties.** The Company represents and warrants to, and agrees with, the Holder as follows:

(a) The initial Warrant Price referenced on the first page of this Warrant is not greater than the price per share at which shares of the Class were last sold and issued prior to the Issue Date hereof in an arms-length transaction in which at least $500,000 of such shares were sold.

(b) All Shares which may be issued upon the exercise of this Warrant, and all securities, if any, issuable upon conversion of the Shares, shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of shares of the Class, common stock and other securities as will be sufficient to permit the exercise in full of this Warrant and the conversion of the Shares into common stock or such other securities.

(c) The Company’s capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 **Notice of Certain Events.** If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Class or common stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares of the Class any additional shares of any class or series of the Company’s stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Class;

(d) effect an Acquisition or to liquidate, dissolve or wind up; or

(e) effect an IPO;

then, in connection with each such event, the Company shall give Holder:

(1) at least seven (7) Business Days prior written notice of the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Class will be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (a) and (b) above;

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event); and

(3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

Reference is made to Section 1.6(c) whereby this Warrant will be deemed to be exercised pursuant to Section 1.2 hereof if the Company does not give written notice to Holder of a Cash/Public Acquisition as required by the terms hereof. Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder’s accounting or reporting requirements.
The Holder represents and warrants to the Company as follows:

4.1 **Purchase for Own Account.** This Warrant and the Shares issuable upon exercise of this Warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) are being acquired for investment for Holder’s account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares (or the securities issuable, directly or indirectly, upon conversion of the Shares, if any).

4.2 **Disclosure of Information.** Holder is aware of the Company’s business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 **Investment Experience.** Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder’s investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 **Accredited Investor Status.** Holder is an “accredited investor” within the meaning of Regulation D promulgated under the Act.

4.5 **The Act.** Holder understands that this Warrant and the Shares issuable upon exercise hereof (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder’s investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 **Market Stand-off Agreement.** The Holder agrees that the Shares shall be subject to the market standoff provisions in Section 2.8 of the Company’s Investor Rights Agreement or similar agreement.

4.7 **No Voting Rights.** Holder, as a Holder of this Warrant, will not have any voting rights until the exercise of this Warrant.

SECTION 5. MISCELLANEOUS.

5.1 **Term; Automatic Cashless Exercise Upon Expiration.**

(a) **Term.** Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Eastern time, on the Expiration Date and shall be void thereafter.
Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares (or such other securities) issued upon such exercise to Holder.

5.2 Legends. Each certificate evidencing Shares (and each certificate evidencing the securities issued, directly or indirectly, upon conversion of any Shares, if any) shall be imprinted with a legend in substantially the following form:

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN WARRANT TO PURCHASE STOCK ISSUED BY THE ISSUER TO OXFORD FINANCE LLC DATED SEPTEMBER 30, 2014, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issued upon exercise of this Warrant (and the securities issued, directly or indirectly, upon conversion of any Shares, if any) may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to an affiliate of Holder, provided that any such transferee is an "accredited investor" as defined in Regulation D promulgated under the Act. Additionally, the Company shall also not require an opinion of counsel if the Company and Holder agree that there is no material question as to the availability of Rule 144 promulgated under the Act.

5.4 Transfer Procedure. After receipt by Oxford of the executed Warrant, Oxford may transfer all or part of this Warrant to one or more of Oxford’s affiliates (each, an "Oxford Affiliate"), by execution of an Assignment substantially in the form of Appendix 2 and delivery by the transferee to the Company of a duly executed signature page to the Option and Support Agreement (unless such Oxford Affiliate has previously delivered to the Company an executed signature page to the Option and Support Agreement and acknowledges in connection with such transfer that the portion of the Warrant transferred and the securities issuable thereunder will be subject to the terms of the Option and Support Agreement). Subject to the provisions of Section 5.3 and upon providing the Company with written notice, Oxford, any such Oxford Affiliate and any subsequent Holder, may transfer all or part of this Warrant or the Shares issued upon exercise of this Warrant (or the securities issued, directly or indirectly, upon conversion of the Shares, if any) being transferred with the name, address and taxpayer identification number of the transferee and will surrender this Warrant (and/or any stock certificates representing the Shares issued upon exercise of this Warrant (or the securities issued directly or indirectly, upon conversion of the Shares, if any) being transferred) to the Company for reissuance to the transferee(s) (and Holder if applicable); and provided further, that such transferee shall deliver a duly executed signature page to the Option and Support Agreement to the Company and agree in writing with the Company to be bound by all of the terms and conditions of this Warrant or to which the Shares issued upon exercise of this Warrant (or the securities issued directly or indirectly, upon conversion of the Shares, if any) being transferred are then subject, as applicable. Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company’s prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.
5.5 **Notices.** All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

Oxford Finance LLC  
133 N. Fairfax Street  
Alexandria, VA 22314  
Attn: Legal Department  
Telephone: (703) 519-4900  
Facsimile: (703) 519-5225  
Email: LegalDepartment@oxfordfinance.com

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

Constellation Pharmaceuticals, Inc.  
Attn: Chief Financial Officer  
215 First Street, Suite 200  
Cambridge, MA 02142  
Telephone: (617) 714-0555  
Facsimile: (617) 577-0472  
Email: Matthias.Jaffe@ConstellationPharma.com

With a copy (which shall not constitute notice) to:

Wilmer Cutler Pickering Hale and Dorr LLP  
Attn: Steven D. Singer, Esq.  
60 State Street  
Boston, MA 02109  
Telephone: (617) 526-6000  
Facsimile: (617) 526-5000  
Email: steven.singer@wilmerhale.com

5.6 **Waiver.** This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 **Attorneys’ Fees.** In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys’ fees.

5.8 **Counterparts; Facsimile/Electronic Signatures.** This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 **Governing Law.** This Warrant shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to its principles regarding conflicts of law.

5.10 **Headings.** The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.
5.11 Business Days. “Business Day” is any day that is not a Saturday, Sunday or a day on which Silicon Valley Bank is closed.

[Remainder of page left blank intentionally]

[Signature page follows]
IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

“COMPANY”

CONSTELLATION PHARMACEUTICALS, INC.

By: /s/ Matthias Jaffe
Name: Matthias Jaffe
Title: CFO

“HOLDER”

OXFORD FINANCE LLC

By: /s/ Mark Davis
Name: Mark Davis
Title: Vice President – Finance, Secretary & Treasurer
NOTICE OF EXERCISE

1. The undersigned Holder hereby exercises its right to purchase ___________ shares of the Common/Series ______ Preferred [circle one] Stock of Constellation Pharmaceuticals, Inc. (the “Company”) in accordance with the attached Warrant To Purchase Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

[ ] check in the amount of $________ payable to order of the Company enclosed herewith
[ ] Wire transfer of immediately available funds to the Company’s account
[ ] Cashless Exercise pursuant to Section 1.2 of the Warrant
[ ] Other [Describe] __________________________________________

2. Please issue a certificate or certificates representing the Shares in the name specified below:

____________________________________________________________________

Holder’s Name

____________________________________________________________________

(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Stock as of the date hereof.

HOLDER:

____________________________________________________________________

By: ____________________________

Name: __________________________

Title: __________________________

Date: __________________________

Appendix 1
APPENDIX 2

ASSIGNMENT

For value received, Oxford Finance LLC hereby sells, assigns and transfers unto

Name: [OXFORD TRANSFEREE]
Address: ________________________________
Tax ID: ________________________________

that certain Warrant to Purchase Stock issued by Constellation Pharmaceuticals, Inc. (the “Company”), on September 30, 2014 (the “Warrant”) together with all rights, title and interest therein.

OXFORD FINANCE LLC

By: ________________________________
Name: ________________________________
Title: ________________________________

Date: ________________________________

By its execution below, and for the benefit of the Company, [OXFORD TRANSFEREE] makes each of the representations and warranties set forth in Article 4 of the Warrant and agrees to all other provisions of the Warrant as of the date hereof.

[OXFORD TRANSFEREE]

By: ________________________________
Name: ________________________________
Title: ________________________________

Appendix 2
SCHEDULE 1

Company Capitalization Table

See attached

Schedule 1
This warrant and the shares of common stock issued upon its exercise have not been registered under the securities act of 1933, as amended, or any applicable state securities laws and may not be sold or transferred without compliance with the registration or qualification provisions of applicable federal and state securities laws or applicable exemptions therefrom.

This warrant and the shares of common stock issued upon its exercise are subject to the restrictions on transfer set forth in section 5 of this warrant and the second series b preferred stock and warrant purchase agreement, an amended and restated investors' rights agreement, as amended, an amended and restated stockholders' voting agreement, as amended and an amended and restated right of first refusal and co-sale agreement, as amended, between the company and the holder of this warrant.

Warrant No. [ ]
Number of Shares: [ ]
(subject to adjustment)

Date of Issuance: May [24], 2011

Original Issue Date (as defined in subsection 2(a)): May [24], 2011

Constellation Pharmaceuticals, Inc.

Common Stock Purchase Warrant

(Void after May [24], 2021)

Constellation Pharmaceuticals, a Delaware corporation (the “Company”), for value received, hereby certifies that SR One Ltd., or its registered assigns (the “Registered Holder”), is entitled, subject to the terms and conditions set forth below, to purchase from the Company, at any time or from time to time on or after the date of issuance and on or before 5:00 p.m. (Boston time) on May [24], 2021, [ ] shares of Common Stock, $0.001 par value per share, of the Company (“Common Stock”), at a purchase price of $0.14 per share. The shares purchasable upon exercise of this Warrant, and the purchase price per share, each as adjusted from time to time pursuant to the provisions of this Warrant, are hereinafter referred to as the “Warrant Shares” and the “Purchase Price,” respectively.

I. Exercise.

(a) Exercise for Cash. The Registered Holder may, at its option, elect to exercise this Warrant, in whole or in part and at any time or from time to time, by surrendering this Warrant, with the purchase form appended hereto as Exhibit I duly executed by or on behalf of the Registered Holder, at the principal office of the Company, or at such other office or agency as the Company may designate, accompanied by payment in full, in lawful money of the United States, of the Purchase Price payable in respect of the number of Warrant Shares purchased upon such exercise.
(b) Cashless Exercise.

(i) The Registered Holder may, at its option, elect to exercise this Warrant, in whole or in part and at any time or from time to time, on a cashless basis, by surrendering this Warrant, with the purchase form appended hereto as Exhibit I duly executed by or on behalf of the Registered Holder, at the principal office of the Company, or at such other office or agency as the Company may designate, by canceling a portion of this Warrant in payment of the Purchase Price payable in respect of the number of Warrant Shares purchased upon such exercise. In the event of an exercise pursuant to this subsection 1(b), the number of Warrant Shares issued to the Registered Holder shall be determined according to the following formula:

\[ X = \frac{Y(A-B)}{A} \]

Where:
- \( X \) = the number of Warrant Shares that shall be issued to the Registered Holder;
- \( Y \) = the number of Warrant Shares for which this Warrant is being exercised (which shall include both the number of Warrant Shares issued to the Registered Holder and the number of Warrant Shares subject to the portion of the Warrant being cancelled in payment of the Purchase Price);
- \( A \) = the Fair Market Value (as defined below) of one share of Common Stock; and
- \( B \) = the Purchase Price then in effect.

(ii) The Fair Market Value per share of Common Stock shall be determined as follows:

(1) If the Common Stock is listed on a national securities exchange, the Nasdaq National Market or another nationally recognized trading system as of the Exercise Date, the Fair Market Value per share of Common Stock shall be deemed to be the average of the high and low reported sale prices per share of Common Stock thereon on the trading day immediately preceding the Exercise Date (provided that if no such price is reported on such day, the Fair Market Value per share of Common Stock shall be determined pursuant to clause (2)).

(2) If the Common Stock is not listed on a national securities exchange, the Nasdaq National Market or another nationally recognized trading system as of the Exercise Date, the Fair Market Value per share of Common Stock shall be deemed to be the amount most recently determined by the Board of Directors of the Company (the “Board”) to represent the fair market value per share of the Common Stock (including without limitation a determination for purposes of granting Common Stock options or issuing Common Stock under any plan, agreement or arrangement with employees of the Company).
(c) **Exercise Date.** Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the day on which this Warrant shall have been surrendered to the Company as provided in subsection 1(a) or 1(b) above (the "Exercise Date"). At such time, the person or persons in whose name or names any certificates for Warrant Shares shall be issuable upon such exercise as provided in subsection 1(d) below shall be deemed to have become the holder or holders of record of the Warrant Shares represented by such certificates.

(d) **Issuance of Certificates.** As soon as practicable after the exercise of this Warrant in whole or in part, and in any event within 10 days thereafter, the Company, at its expense, will cause to be issued in the name of, and delivered to, the Registered Holder, or as the Registered Holder (upon payment by the Registered Holder of any applicable transfer taxes) may direct:

(i) a certificate or certificates for the number of full Warrant Shares to which the Registered Holder shall be entitled upon such exercise plus, in lieu of any fractional share to which the Registered Holder would otherwise be entitled, cash in an amount determined pursuant to Section 3 hereof; and

(ii) in case such exercise is in part only, a new warrant or warrants (dated the date hereof) of like tenor, calling in the aggregate on the face or faces thereof for the number of Warrant Shares equal (without giving effect to any adjustment therein) to the number of such shares called for on the face of this Warrant minus the number of Warrant Shares for which this Warrant was so exercised (which, in the case of an exercise pursuant to subsection 1(b), shall include both the number of Warrant Shares issued to the Registered Holder pursuant to such partial exercise and the number of Warrant Shares subject to the portion of the Warrant being cancelled in payment of the Purchase Price).

2. **Adjustments.**

(a) **Adjustment for Stock Splits and Combinations.** If the Company shall at any time or from time to time after the date on which this Warrant was first issued (or, if this Warrant was issued upon partial exercise of, or in replacement of, another warrant of like tenor, then the date on which such original warrant was first issued) (either such date being referred to as the "Original Issue Date") effect a subdivision of the outstanding Common Stock, the Purchase Price then in effect immediately before that subdivision shall be proportionately decreased. If the Company shall at any time or from time to time after the Original Issue Date combine the outstanding shares of Common Stock, the Purchase Price then in effect immediately before the combination shall be proportionately increased. Any adjustment under this paragraph shall become effective at the close of business on the date the subdivision or combination becomes effective.

(b) **Adjustment for Certain Dividends and Distributions.** In the event the Company at any time, or from time to time after the 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 additional shares of Common Stock, then and in each such event the Purchase Price then in effect immediately before such event shall be decreased as of the time of such issue or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Purchase 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;

provided, however, that if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Purchase Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Purchase Price shall be adjusted pursuant to this paragraph as of the time of actual payment of such dividends or distributions.

(c) Adjustment in Number of Warrant Shares. When any adjustment is required to be made in the Purchase Price pursuant to subsections 2(a) or 2(b), the number of Warrant Shares purchasable upon the exercise of this Warrant shall be changed to the number determined by dividing (i) an amount equal to the number of shares issuable upon the exercise of this Warrant immediately prior to such adjustment, multiplied by the Purchase Price in effect immediately prior to such adjustment, by (ii) the Purchase Price in effect immediately after such adjustment.

(d) Adjustments for Other Dividends and Distributions. In the event the Company at any time or from time to time after the 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 Company (other than shares of Common Stock) or in cash or other property (other than regular cash dividends paid out of earnings or earned surplus, determined in accordance with generally accepted accounting principles), then and in each such event provision shall be made so that the Registered Holder shall receive upon exercise hereof, in addition to the number of shares of Common Stock issuable hereunder, the kind and amount of securities of the Company, cash or other property which the Registered Holder would have been entitled to receive had this Warrant been exercised on the date of such event and had the Registered Holder thereafter, during the period from the date of such event to and including the Exercise Date, retained any such securities receivable during such period, giving application to all adjustments called for during such period under this Section 2 with respect to the rights of the Registered Holder.

(e) Adjustment for Reorganization; Change of Control. If there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Company in which the Warrant Shares are converted into or exchanged for securities, cash or other property (other than a transaction covered by subsections 2(a), 2(b), 2(c) or 2(d)) (collectively, a “Reorganization”), then, following such Reorganization, the Registered Holder shall receive upon exercise hereof the kind and amount of securities, cash or other property which the Registered Holder would have been entitled to receive pursuant to such Reorganization if such exercise had taken place immediately prior to such Reorganization. In
any such case, appropriate adjustment (as determined in good faith by the Board) shall be made in the application of the provisions set forth herein with respect to the rights and interests thereafter of the Registered Holder, to the end that the provisions set forth in this Section 2 (including provisions with respect to changes in and other adjustments of the Purchase Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities, cash or other property thereafter deliverable upon the exercise of this Warrant. Notwithstanding anything to the contrary herein, in connection with a Reorganization that constitutes a Change of Control (as defined below), the Company may, upon 10 days prior written notice to the Registered Holder, provide that this Warrant, unless exercised prior to such Reorganization, shall terminate and be converted into the right to receive upon the consummation of such Reorganization the security, cash or property, if any, which the Registered Holder would have been entitled to receive pursuant to such Reorganization with respect to the Warrant Shares if this Warrant had been exercised on a cashless basis pursuant to Section 2(b) hereof immediately prior to such Reorganization. “Change of Control” shall mean any Reorganization in which the individuals and entities who were beneficial owners of the capital stock of the Company immediately prior to such transaction do not beneficially own, directly or indirectly, immediately after such transaction a majority of the outstanding securities (on an as-converted to Common Stock basis) entitled to vote generally in the election of directors of the resulting, surviving or acquiring corporation.

(f) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Purchase Price pursuant to this Section 2, the Company at its expense shall, as promptly as reasonably practicable but in any event not later than 10 days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to the Registered Holder a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property for which this Warrant shall be exercisable and the Purchase Price) and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, as promptly as reasonably practicable after the written request at any time of the Registered Holder (but in any event not later than 10 days thereafter), furnish or cause to be furnished to the Registered Holder a certificate setting forth (i) the Purchase 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 exercise of this Warrant.

3. Fractional Shares. The Company shall not be required upon the exercise of this Warrant to issue any fractional shares, but shall pay the value thereof to the Registered Holder in cash on the basis of the Fair Market Value per share of Common Stock, as determined pursuant to subsection 1(b)(ii) above.

4. Investment Representations. The initial Registered Holder represents and warrants to the Company as follows:

(a) Investment. It is acquiring the Warrant, and (if and when it exercises this Warrant) it will acquire the Warrant Shares, for its own account for investment and not with a view to, or for sale in connection with, any distribution thereof, nor with any present intention of distributing or selling the same; and the Registered Holder has no present or contemplated agreement, undertaking, arrangement, obligation, indebtedness or commitment providing for the disposition thereof.
Accredited Investor. The Registered Holder is an “accredited investor” as defined in Rule 501(a) under the Securities Act of 1933, as amended (the “Act”).

Experience. The Registered Holder has made such inquiry concerning the Company and its business and personnel as it has deemed appropriate; and the Registered Holder has sufficient knowledge and experience in finance and business that it is capable of evaluating the risks and merits of its investment in the Company.

5. Transfers, etc.

(a) This Warrant and the Warrant Shares shall not be sold or transferred unless either (i) they first shall have been registered under the Act, or (ii) the Company first shall have been furnished with an opinion of legal counsel, reasonably satisfactory to the Company, to the effect that such sale or transfer is exempt from the registration requirements of the Act. Notwithstanding the foregoing, no registration or opinion of counsel shall be required for (i) a transfer by a Registered Holder which is an entity to a wholly owned subsidiary of such entity, a transfer by a Registered Holder which is a partnership to a partner of such partnership or a retired partner of such partnership or to the estate of any such partner or retired partner, or a transfer by a Registered Holder which is a limited liability company to a member of such limited liability company or a retired member or to the estate of any such member or retired member, provided that the transferee in each case agrees in writing to be subject to the terms of this Section 5, or (ii) a transfer made in accordance with Rule 144 under the Act.

(b) Each certificate representing Warrant Shares shall bear a legend substantially in the following form:

“Subsequent to the date of this certificate, the Warrant Shares represented hereby may not be sold, transferred or otherwise disposed of, except as permitted herein, or unless registered under the Securities Act of 1933 or the exemption therefrom set forth in Rule 144 thereunder is available for such transfer. If such registration is required, the Company will not be required to deliver certificates representing Warrant Shares to the Registered Holder until the Company has received an opinion of counsel reasonably satisfactory to the Company that such registration is not required.”

The foregoing legend shall be removed from the certificates representing any Warrant Shares, at the request of the holder thereof, at such time as (i) a period of at least one year, as determined in accordance with paragraph (d) of Rule 144 under the Act, has elapsed since the later of the date the Warrant Shares were acquired from the Company or an affiliate of the Company, and (ii) the Warrant Shares become eligible for resale pursuant to Rule 144(b)(1)(i) under the Act.

(c) The Company will maintain a register containing the name and address of the Registered Holder of this Warrant. The Registered Holder may change its address as shown on the warrant register by written notice to the Company requesting such change.

(d) Subject to the provisions of Section 5 hereof, this Warrant and all rights hereunder are transferable, in whole or in part, upon surrender of this Warrant with a properly executed assignment (in the form of Exhibit II hereto) at the principal office of the Company (or, if another office or agency has been designated by the Company for such purpose, then at such other office or agency).
6. Notices of Record Date, etc. In the event:

(a) the Company shall take a record of the holders of its Common Stock (or other stock or securities at the time deliverable upon the exercise of this Warrant) 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 stock of any class or any other securities, or to receive any other right; or

(b) of any capital reorganization of the Company, any reclassification of the Common Stock of the Company, any consolidation or merger of the Company with or into another corporation (other than a consolidation or merger in which the Company is the surviving entity and its Common Stock is not converted into or exchanged for any other securities or property), or any transfer of all or substantially all of the assets of the Company; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company,

then, and in each such case, the Company will send or cause to be sent to the Registered Holder 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 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 stock or securities at the time deliverable upon the exercise of this Warrant) shall be entitled to exchange their shares of Common Stock (or such other stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up. Such notice shall be sent at least 10 days prior to the record date or effective date for the event specified in such notice.

7. Reservation of Stock. The Company will at all times reserve and keep available, solely for issuance and delivery upon the exercise of this Warrant, such number of Warrant Shares and other securities, cash and/or property, as from time to time shall be issuable upon the exercise of this Warrant.

8. Exchange or Replacement of Warrants.

(a) Upon the surrender by the Registered Holder, properly endorsed, to the Company at the principal office of the Company, the Company will, subject to the provisions of Section 5 hereof, issue and deliver to or upon the order of the Registered Holder, at the Company’s expense, a new Warrant or Warrants of like tenor, in the name of the Registered Holder or as the Registered Holder (upon payment by the Registered Holder of any applicable transfer taxes) may direct, calling in the aggregate on the face or faces thereof for the number of shares of Common Stock (or other securities, cash and/or property) then issuable upon exercise of this Warrant.
Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and (in the case of loss, theft or destruction) upon delivery of an indemnity agreement (with surety if reasonably required) in an amount reasonably satisfactory to the Company, or (in the case of mutilation) upon surrender and cancellation of this Warrant, the Company will issue, in lieu thereof, a new Warrant of like tenor.

9. Agreement in Connection with Public Offering. The Registered Holder agrees, if requested by the managing underwriter of the initial public offering, (i) not to (a) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock held by the Registered Holder or other securities of the Company (excluding securities acquired in the initial public offering or in the public market after such offering) or (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of any Common Stock held by the Registered Holder or other securities of the Company (excluding securities acquired in the initial public offering or in the public market after such offering), whether any transaction described in clause (a) or (b) is to be settled by delivery of securities, in cash or otherwise, during the period beginning on the date of the filing of such registration statement with the Securities and Exchange Commission and ending 180 days after the effective date of the registration statement relating to the initial public offering (plus up to an additional 34 days to the extent requested by the managing underwriters for such offering in order to address Rule 2711(f) of the Financial Industry Regulatory Authority, Inc. or any similar successor provision) (the “Lock-Up Period”), provided that, all stockholders of the Company then holding at least 1% of the outstanding Common Stock (on an as-converted basis) and all officers and directors of the Company are similarly bound, and (ii) to execute any agreement reflecting clause (i) above as may be requested by the managing underwriters at the time of such offering; provided, that all stockholders of the Company then holding at least 1% of the outstanding Common Stock (on an as-converted basis) and all officers and directors of the Company enter into similar agreements. Notwithstanding the foregoing, clauses (i) and (ii) above shall only be applicable to the Registered Holder if all stockholders of the Company then holding at least 1% of the outstanding Common Stock (on an as-converted basis) and all officers and directors of the Company are treated similarly with respect to any release prior to the termination of the Lock-Up period (including any extension thereof) such that if any such persons are released, all Registered Holders shall also be released to the same extent on a pro rata basis.

10. Notices. All notices and other communications from the Company to the Registered Holder in connection herewith shall be mailed by certified or registered mail, postage prepaid, or sent via a reputable nationwide overnight courier service guaranteeing next business day delivery, to the address last furnished to the Company in writing by the Registered Holder. All notices and other communications from the Registered Holder to the Company in connection herewith shall be mailed by certified or registered mail, postage prepaid, or sent via a reputable nationwide overnight courier service guaranteeing next business day delivery, to the Company at 215 First Street, Suite 200, Cambridge, MA 02142, Attention: President, with a copy to WilmerHale, 60 State Street, Boston MA 02109, Attention: Lia Der Marderosian, Esq. If the Company should at any time change the location of its principal office to a place other than as set forth below, it shall give prompt written notice to the Registered Holder and thereafter all references in this Warrant to the location of its principal office at the particular time shall be as so specified in such notice. All such notices and communications shall be deemed delivered (i) two business days after being sent by certified or registered mail, return receipt requested, postage prepaid, or (ii) one business day after being sent via a reputable nationwide overnight courier service guaranteeing next business day delivery.
11. **No Rights as Stockholder.** Until the exercise of this Warrant, the Registered Holder shall not have or exercise any rights by virtue hereof as a stockholder of the Company. Notwithstanding the foregoing, in the event (i) the Company effects a split of the Common Stock by means of a stock dividend and the Purchase Price of and the number of Warrant Shares are adjusted as of the date of the distribution of the dividend (rather than as of the record date for such dividend), and (ii) the Registered Holder exercises this Warrant between the record date and the distribution date for such stock dividend, the Registered Holder shall be entitled to receive, on the distribution date, the stock dividend with respect to the shares of Common Stock acquired upon such exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

12. **Amendment or Waiver.** This Warrant is one of a series of Warrants issued by the Company, all dated the date hereof and of like tenor, except as to the number of shares of Common Stock subject thereto (collectively, the “Company Warrants”). Any term of this Warrant may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) with the written consent of the Company and the holders of Company Warrants representing at least 51% of the number of shares of Common Stock then subject to outstanding Company Warrants. Notwithstanding the foregoing, (a) this Warrant may be amended and the observance of any term hereunder may be waived without the written consent of the Registered Holder only in a manner which applies to all Company Warrants in the same fashion and (b) the number of Warrant Shares subject to this Warrant and the Purchase Price of this Warrant may not be amended, and the right to exercise this Warrant may not be waived, without the written consent of the Registered Holder (it being agreed that an amendment to or waiver under any of the provisions of Section 2 of this Warrant shall not be considered an amendment of the number of Warrant Shares or the Purchase Price). The Company shall give prompt written notice to the Registered Holder of any amendment hereof or waiver hereunder that was effected without the Registered Holder’s written consent. No waivers of any term, condition or provision of this Warrant, 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.

13. **Section Headings.** The section headings in this Warrant are for the convenience of the parties and in no way alter, modify, amend, limit or restrict the contractual obligations of the parties.

14. **Governing Law.** This Warrant will be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts (without reference to the conflicts of law provisions thereof).

15. **Counterparts.** This Warrant may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

16. **Facsimile Signatures.** This Warrant may be executed by facsimile signature.
PURCHASE FORM

To:_________________ Dated:___________

The undersigned, pursuant to the provisions set forth in the attached Warrant (No. ___), hereby elects to purchase (check applicable box):

☐ ___ shares of the Common Stock of Constellation Pharmaceuticals, Inc. covered by such Warrant; or

☐ the maximum number of shares of Common Stock covered by such Warrant pursuant to the cashless exercise procedure set forth in subsection 1(b).

The undersigned herewith makes payment of the full purchase price for such shares at the price per share provided for in such Warrant. Such payment takes the form of (check applicable box or boxes):

☐ $_____ in lawful money of the United States; and/or

☐ the cancellation of such portion of the attached Warrant as is exercisable for a total of _____ Warrant Shares (using a Fair Market Value of $_____ per share for purposes of this calculation); and/or

☐ the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 1(b), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 1(b).

Signature: __________________________

Address: __________________________

________________________________________________________________________

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ASSIGNMENT FORM

FOR VALUE RECEIVED, ____________________________ hereby sells, assigns and transfers all of the rights of the undersigned under the attached Warrant (No. ____ ) with respect to the number of shares of Common Stock of Constellation Pharmaceuticals, Inc. covered thereby set forth below, unto:

Name of Assignee

Address

No. of Shares

Dated: ____________________________

Signature: ____________________________

Signature Guaranteed:

By: ____________________________

The signature should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program) pursuant to Rule 17Ad-15 under the Securities Exchange Act of 1934.
LEASE AGREEMENT

THIS LEASE AGREEMENT is dated as of February 5, 2010, between ARE-MA REGION NO. 38, LLC, a Delaware limited liability company ("Landlord"), and CONSTELLATION PHARMACEUTICALS, INC., a Delaware corporation ("Tenant").

BASIC LEASE PROVISIONS

Address: 215 First Street, Cambridge, MA 02142

Premises: That portion of the Building (as defined below), located on the 1st and 2nd floors of the Building and containing approximately 34,606 rentable square feet, as determined by Landlord, as shown on Exhibit A.

Shared Science Facility: That portion of the Building depicted as the “Shared Science Facility” on Exhibit B attached hereto and containing a shared acid neutralization system and related shared laboratory facilities, which Shared Science Facility is subject to adjustment and relocation by Landlord from time to time.

Shared Conference Facility: That portion of the Building depicted as the “Shared Conference Facility” on Exhibit C attached hereto, subject to adjustment and relocation by Landlord from time to time.

Project: The real property on which the Building is located, together with all improvements thereon and appurtenances thereto as described on Exhibit D.

Building: That building located on the Project and commonly known and numbered as 215 First Street, Cambridge, Massachusetts.

Base Rent: $121,121.00 per month, subject to adjustments as set forth in Section 3 below.

Rent Commencement Date: The date that is 5 months after the Commencement Date.

Rent Adjustment Percentage: 3.0%.

Rentable Area of Premises: Approximately 34,606 rentable square feet.

Rentable Area of Project: Approximately 366,699 rentable square feet.

Tenant’s Share: 9.44%.

Tenant’s Percentage Share (Science Facility): 40.64%


Target Commencement Date: June 1, 2010.

Term: Beginning on the Commencement Date and ending four (4) years from the first day of the first full month commencing on or after the Commencement Date.
Permitted Use: Research and development laboratory, related office and other related uses consistent with the character of the Project and otherwise in compliance with the provisions of Section 6 hereof.

Address for Rent Payment: Landlord’s Notice Address:
P.O. Box 975383 385 East Colorado Boulevard, Suite 299
Dallas, TX 75397-5383 Pasadena, CA 91101
Attention: Corporate Secretary Facsimile: 626-578-0770

Tenant’s Notice Address:
P.O. Box 975383
Dallas, TX 75397-5383

1. Lease of Premises; Right to Use Common Areas; License to Shared Areas.

(a) Lease of Premises; Common Areas. Upon and subject to all of the terms and conditions hereof, Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. The portions of the Project that are for the non-exclusive use of tenants of the Project (including but not limited to the restrooms, elevators, stairways, lobbies, corridors, walkways and Building entrances) are collectively referred to herein as the “Common Areas.” Tenant shall have the non-exclusive right to use the Common Areas of the Project, excluding the Shared Science Facility and Shared Conference Facility to which Tenant’s rights are as set forth in Section 1(b) below. Landlord reserves the right to modify, reconfigure and relocate the Common Areas, provided that such modifications, reconfigurations or relocations do not materially adversely affect Tenant’s use of or access to the Premises for the Permitted Use. Notwithstanding the foregoing, but subject to the provisions of Section 14 below, no interruption in Building Systems, services or Utilities, from any cause whatsoever, in connection with any work to effect any such modification, reconfiguration or relocation shall result in eviction or constructive eviction of Tenant, termination of this Lease or the abatement of Rent. Landlord reserves the right to change the form of ownership of the Project or any part thereof.

(b) Shared Science Facility; Shared Conference Facility. Concurrently with the execution and delivery of this Lease by Tenant, Tenant shall execute and deliver to Landlord a license agreement in the form attached as Exhibit E attached hereto (the “License Agreement”). Tenant shall have the nonexclusive right to use the acid neutralization system serving the Shared Science Facility and to use the Shared Conference Facility, all pursuant to the terms and conditions of the License Agreement. Tenant shall have no right to use or access the Shared Science Facility or Shared Conference Facility, except as provided in the License Agreement. If Licensee desires to use any facilities in the Shared Science Facility other than the acid neutralization system serving the Shared Science Facility, Licensee shall request Landlord to amend this Lease and such License Agreement to permit such use, and if Landlord determines in its reasonable judgment that such facilities can accommodate such additional use, this Lease and the License Agreement shall be amended to add such use and to equitably adjust the Tenant Percentage Share (Science Facility) and other applicable terms accordingly.
2. **Delivery; Acceptance of Premises; Commencement Date.** Landlord shall use reasonable efforts to deliver the Premises to Tenant on or before the Target Commencement Date, with the Tenant Improvements Substantially Completed ("Delivery" or "Deliver"). If Landlord fails to so Deliver the Premises on or before the Target Commencement Date, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, and this Lease shall not be void or voidable except as provided herein. If Landlord does not Deliver the Premises within 60 days of the Target Commencement Date, as the same may be extended for delays due to Force Majeure or Tenant Delays, this Lease may be terminated by Landlord or Tenant by written notice to the other (except that Landlord shall have no right to so terminate this Lease other than in the event of Force Majeure or Tenant Delays that extend the Target Commencement Date for 60 days or more), and if so terminated by either: (a) any Rent paid prior to the date of such termination (except for any Rent paid for any time period that Tenant occupied the Premises and conducted its business therein) and the Security Deposit, or any balance thereof (i.e., after deducting therefrom all amounts to which Landlord is entitled under the provisions of this Lease), shall be returned to Tenant, and (b) neither Landlord nor Tenant shall have any further rights, duties or obligations under this Lease, except with respect to provisions which expressly survive termination of this Lease. As used herein, the terms “Tenant Improvements,” “Tenants’ Work,” “Tenant Delays” and “Substantially Completed” shall have the meanings set forth for such terms in the Work Letter attached hereto as Exhibit F (the “Work Letter”). The term “Force Majeure” shall have the meaning set forth for such term in Section 36 below. If neither Landlord nor Tenant elects to void this Lease within 5 business days of the lapse of such 60 day period, such right to void this Lease shall be waived and this Lease shall remain in full force and effect.

Except to the extent that Landlord’s failure to Deliver the Premises is due to Force Majeure or Tenant Delays, then Tenant shall receive a credit equal to one day of Base Rent for every day after the lapse of such 60-day period until Delivery of the Premises (the “Base Rent Credit Period”). Such credit shall be reduced for each day of any Force Majeure delay and for each day of any Tenant Delays. Such credit, net of reduction for Force Majeure delay and Tenant Delays as aforesaid, shall be applied to Base Rent first payable by Tenant from and after the Rent Commencement Date.

If Landlord does not Deliver the Premises on or before the 60th day of the Base Rent Credit Period for any reason, this Lease may be terminated by Landlord or Tenant under this paragraph by written notice to the other, and if so terminated by either under this paragraph: (a) any Rent paid prior to the date of such termination (except for any Rent paid for any time period that Tenant occupied the Premises and conducted its business therein) and the Security Deposit, or any balance thereof (i.e., after deducting therefrom all amounts to which Landlord is entitled under the provisions of this Lease), shall be returned to Tenant, and (b) neither Landlord nor Tenant shall have any further rights, duties or obligations under this Lease, except with respect to provisions which expressly survive termination of this Lease. If neither Landlord nor Tenant elects to void this Lease within 5 business days of the 60th day of the Base Rent Credit Period under this paragraph, such right to void this Lease shall be waived and this Lease shall remain in full force and effect.

The “Commencement Date” shall be the earlier of: (i) the date Landlord Delivers the Premises to Tenant (which shall be no earlier than the Target Commencement Date); or (ii) the date Landlord could have Delivered the Premises but for Tenant Delays (which shall be no earlier than the Target Commencement Date); except that if the earliest date determined under clause (i) or (ii) of this sentence is earlier than the date that is 30 days after the date that Landlord grants Tenant early access in accordance with Section 6(a) of the Work Letter, then the Commencement Date shall be the date that is the 30th day after the date that Landlord grants Tenant such early access (which shall be no earlier than the Target Commencement Date). Notwithstanding the immediately preceding sentence, if Tenant conducts any business in the Premises or any part thereof prior to the date that would be determined pursuant to the immediately preceding sentence to be Commencement Date, then the Commencement Date shall be the date Tenant conducts any business in the Premises or any part thereof. The “Rent Commencement Date” shall be determined as set forth in the Basic Lease Provisions. Upon request of

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either party, Landlord and Tenant shall execute and deliver a written acknowledgment of the Commencement Date, the Rent Commencement Date and the expiration date of the Term when such are established in the form of the “Acknowledgement of Commencement Date” attached to this Lease as Exhibit G; provided, however, Tenant’s failure to execute and deliver such acknowledgment shall not affect Landlord’s rights hereunder. The “Term” of this Lease shall be as defined above in the Basic Lease Provisions and any Extension Term which Tenant may elect pursuant to Section 35 hereof.

Except as set forth in the Work Letter: (i) Tenant shall accept the Premises in their condition as of the Commencement Date, subject to all applicable Legal Requirements (as defined in Section 6 hereof); (ii) Landlord shall have no obligation for any defects in the Premises; and (iii) except to the extent that Tenant notifies Landlord of a Construction Defect in accordance with the Work Letter, Tenant’s taking possession of the Premises shall be conclusive evidence that Tenant accepts the Premises and that the Premises were in good condition at the time possession was taken. Any occupancy of the Premises by Tenant before the Commencement Date shall be subject to all of the terms and conditions of this Lease.

Tenant agrees and acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of all or any portion of the Premises or the Project, and/or the suitability of the Premises or the Project for the conduct of Tenant’s business, and Tenant waives any implied warranty that the Premises or the Project are suitable for the Permitted Use. This Lease constitutes the complete agreement of Landlord and Tenant with respect to the subject matter hereof and supersedes any and all prior representations, inducements, promises, agreements, understandings and negotiations which are not contained herein.

3. Base Rent.

(a) The first month’s Base Rent and the Security Deposit shall be due and payable on delivery of an executed copy of this Lease to Landlord. Tenant shall pay to Landlord in advance, monthly installments of Base Rent on or before the first day of each calendar month during the Term hereof beginning on the Rent Commencement Date, in lawful money of the United States of America, at the office or address of Landlord for payment of Rent set forth above. Payments of Base Rent for any fractional calendar month shall be prorated. If the Rent Commencement Date is other than the first day of a calendar month, the difference between the first full calendar month’s Base Rent paid upon delivery of an executed copy of this Lease by Tenant to Landlord as required above, and the prorated Base Rent for the fractional month in which the Rent Commencement Date occurs, shall be applied by Landlord to the first full calendar month after the Rent Commencement Date. Except as expressly provided in Section 2 above or Section 15 below, Tenant shall have no right at any time to abate, reduce, or set-off any Rent due hereunder. Base Rent shall be increased on each anniversary of the first day of the first full month during the Term of this Lease (each an “Adjustment Date”) by multiplying the Base Rent payable immediately before such Adjustment Date by the Rent Adjustment Percentage and adding the resulting amount to the Base Rent payable immediately before such Adjustment Date. Base Rent, as so adjusted, shall thereafter be due as otherwise provided herein. Base Rent adjustments for any fractional calendar month shall be prorated.

(b) In addition to Base Rent, Tenant agrees to pay to Landlord as additional rent (“Additional Rent”): (i) Tenant’s Share of Project Operating Expenses and Tenant’s Percentage Share (Science Facility) of Science Facility Operating Expenses (each as defined in Section 4), and (ii) any and all other amounts Tenant assumes or agrees to pay under the provisions of this Lease, including, without limitation, any and all other sums that may become due by reason of any default of Tenant or failure to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant, after any applicable notice and cure period. Tenant’s obligation to pay Base Rent and Additional Rent hereunder are collectively referred to herein as “Rent”.

4. Operating Expense Payments. Landlord shall deliver to Tenant a written estimate of Project Operating Expenses and Science Facility Operating Expenses for each calendar year during the Term (together, the “Annual Estimate”), which may be revised by Landlord from time to time during such calendar year. During each month of the Term, on the same date that Base Rent is due, Tenant shall pay
Landlord an amount equal to 1/12th of Tenant’s Share of Project Operating Expenses and 1/12th of Tenant’s Percentage Share (Science Facility) of Science Facility Operating Expenses, each as shown on the Annual Estimate. Payments for any fractional calendar month shall be prorated. As used herein the term “Operating Expenses” shall mean collectively the Project Operating Expenses and the Science Facility Operating Expenses (as such terms are hereinafter defined); and the term “Tenant’s Share of Operating Expenses” shall mean collectively Tenant’s Share of Project Operating Expenses and Tenant’s Percentage Share (Science Facility) of Science Facility Operating Expenses. Landlord’s current budget for Operating Expenses is attached hereto as Exhibit K. Tenant acknowledges and agrees that such budget is Landlord’s estimate of Operating Expenses as of the date of this Lease and is subject to change from time to time.

Notwithstanding anything to the contrary in this Section 4, provided that Tenant is not in Default under this Lease, Tenant shall receive a credit against its monthly payments of Project Operating Expenses and Shared Science Facility Operating Expenses (each as defined below) in an amount equal to the 148 Sidney Operating Expense Payments (as defined below) actually paid by Tenant pursuant to its lease of premises at 148 Sidney Street, Cambridge (the “148 Sidney Lease”) for the period commencing on the Commencement Date under this Lease and continuing until October 31, 2010 (the “Lease Overlap Period”). The “148 Sidney Operating Expense Payments” shall mean the actual operating expense payments made by Tenant for the Lease Overlap Period pursuant to the 148 Sidney Lease, as certified in writing by Tenant to Landlord, which certification shall include copies of invoices and receipts from the lessor under the 148 Sidney Lease (the “148 Sidney Lessor”) for such 148 Sidney Operating Expense Payments or other evidence of payment of the 148 Sidney Operating Expense Payments issued by the 148 Sidney Lessor; provided, however, that in no event shall the 148 Sidney Operating Expense Payments include any payment of base rent or other monthly rental for the premises under the 148 Sidney Lease, parking charges or fees, storage, transport or loading dock charges or fees, elevator charges or fees, late fees, interest on overdue amounts, monetary penalties, legal fees or costs of collection, amounts charged to Tenant for overtime services, heating, cooling, electricity or other utilities furnished to Tenant outside of standard building operating hours, or any amounts charged to Tenant for services or costs other than for maintenance, repairs, insurance, operating expenses and other costs charged generally to the other tenants of 148 Sidney Street responsible for their proportionate share of operating expenses incurred by the 148 Sidney Lessor. Tenant shall, upon receipt, deliver Landlord a copy of any reconciliation of estimated operating expense payments and actual operating expenses provided by the 148 Sidney Lessor for a period of time that includes the Lease Overlap Period. In connection with any such reconciliation, if Tenant receives a refund on account of overpayment of any 148 Sidney Operating Expense Payments pursuant to the 148 Sidney Lease with respect to the Lease Overlap Period, Tenant shall pay to Landlord the amount of such refund upon receipt thereof, or if Tenant pays the 148 Lessor for an operating expense shortfall with respect to 148 Sidney Operating Expense Payments for the Lease Overlap Period, the amount of such payment for the shortfall for the Lease Overlap Period shall be a credit against Operating Expenses under this Lease.

The term “Project Operating Expenses” means all costs and expenses of any kind or description whatsoever incurred or accrued each calendar year by Landlord with respect to the Project (including, without duplication, Taxes (as defined below in this Section 4), transportation services (including costs associated with Landlord’s participation in the EZ-Ride shuttle or a successor shuttle service), capital repairs, and those capital improvements the purpose of which is to reduce Project Operating Expenses and/or to comply with Legal Requirements first made effective after the date of this Lease, which capital repairs and capital improvements are in each case amortized over the lesser of 7 years and the useful life of such capital items, and the costs of Landlord’s third party property manager or, if there is no third party property manager, administration rent in the amount of 4.0% of Base Rent (including Base Rent that would have been due if the Rent Commencement Date were the same as the Commencement Date)), excluding only:

(a) the original construction costs of the Project and renovation prior to the date of the Lease and costs of correcting defects in such original construction or renovation;
(b) capital expenditures other than those made for capital repairs as expressly set forth above in this Section 4 or for capital improvements that are not for the purpose of reducing Project Operating Expenses and/or complying with Legal Requirements first made effective after the date of this Lease;

(c) interest, principal payments of Mortgage (as defined in Section 23) debts of Landlord, financing costs and amortization of funds borrowed by Landlord, whether secured or unsecured and all payments of base rent (but not taxes or operating expenses) under any ground lease or other underlying lease of all or any portion of the Project;

(d) depreciation of the Project (except for those capital improvements, the cost of which are includable in Project Operating Expenses as provided above in this Section 4);

(e) advertising, legal and space planning expenses and leasing commissions and other costs and expenses incurred in procuring and leasing space to tenants for the Project, including any leasing office maintained in the Project, free rent and construction allowances for tenants;

(f) legal and other expenses incurred in the negotiation or enforcement of leases;

(g) completing, fixturing, improving, renovating, painting, redecorating or other work, which Landlord pays for or performs for tenants within their premises, and costs of correcting defects in such work;

(h) costs of utilities outside normal business hours sold to tenants of the Project;

(i) costs to be reimbursed by other tenants of the Project or Taxes to be paid directly by Tenant or other tenants of the Project, whether or not actually paid;

(j) salaries, wages, benefits and other compensation paid to officers and employees of Landlord who are not assigned in whole or in part to the operation, management, maintenance or repair of the Project or officers and employees who are above the level of property manager unless such officers and employees have responsibility for the operation or management of the Project, among other projects; provided, however, that during the Term the aggregate amount included in Project Operating Expenses in any calendar year for the salaries, wages, benefits and other compensation for those officers and employees who are assigned in whole or in part to the operation, management, maintenance or repair of the Project or who are above the level of property manager and have responsibility for the operation or management of the Project, among other projects, shall not increase by more than 3% over the prior calendar year;

(k) general organizational, administrative and overhead costs relating to maintaining Landlord’s existence, either as a corporation, partnership, or other entity, including general corporate, legal and accounting expenses;

(l) costs (including attorneys’ fees and costs of settlement, judgments and payments in lieu thereof) incurred in connection with disputes with tenants, other occupants, or prospective tenants, and costs and expenses, including legal fees, incurred in connection with negotiations or disputes with employees, consultants, management agents, leasing agents, purchasers or mortgagees of the Building;

(m) costs incurred by Landlord due to the violation by Landlord, its employees, agents or contractors or any tenant of the terms and conditions of any lease of space in the Project or any Legal Requirement (as defined in Section 6);

(n) penalties, fines or interest incurred as a result of Landlord’s inability or failure to make payment of Taxes and/or to file any tax or informational returns when due, or from Landlord’s failure to make any payment of Taxes required to be made by Landlord hereunder before delinquency;
(o) overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services rendered by unaffiliated third parties on a competitive basis;

(p) costs of Landlord’s charitable or political contributions, or of fine art maintained at the Project;

(q) costs in connection with services (including electricity), items or other benefits of a type which are not standard for the Project and which are not available to Tenant without specific charges therefor, but which are provided to another tenant or occupant of the Project, whether or not such other tenant or occupant is specifically charged therefor by Landlord;

(r) janitorial services other than for Common Areas; provided, however, that costs for the common dumpster that serves the Project shall be included in Project Operating Expenses;

(s) costs incurred in the sale or refinancing of the Project;

(t) net income taxes of Landlord or the owner of any interest in the Project, franchise, capital stock, gift, estate or inheritance taxes or any federal, state or local documentary taxes imposed against the Project or any portion thereof or interest therein;

(u) any expenses otherwise includable within Project Operating Expenses to the extent actually reimbursed by persons other than tenants of the Project under leases for space in the Project; and

(v) costs incurred in connection with the clean-up, response action or remediation of Hazardous Materials in the Premises that Tenant demonstrates to Landlord’s reasonable satisfaction were present in the Premises prior to the date of this Lease, or Hazardous Materials on the Project that were not caused by an act or omission of Tenant, except in any case to the extent Tenant and/or any of the Tenant Parties have exacerbated or contributed to such contamination.

Within 90 days after the end of each calendar year (or such longer period as may be reasonably required), Landlord shall furnish to Tenant a statement (an “Annual Statement”) showing in reasonable detail: (a) the actual totals of Project Operating Expenses, Science Facility Operating Expenses, Tenant’s Share of Project Operating Expenses and Tenant’s Percentage Share (Science Facility) of Science Facility Operating Expenses, in each case for the previous calendar year, and (b) the total of Tenant’s payments in respect of Project Operating Expenses and Science Facility Operating Expenses for such year. If Tenant’s Share of actual Project Operating Expenses for such year exceeds Tenant’s payments of Project Operating Expenses for such year, or if Tenant’s Percentage Share (Science Facility) of actual Science Facility Operating Expenses for such year exceeds Tenant’s payments of Science Facility Operating Expenses for such year, the excess shall be due and payable by Tenant as Rent within 30 days after delivery of such Annual Statement to Tenant. If Tenant’s payments of Project Operating Expenses for such year exceed Tenant’s Share of actual Project Operating Expenses for such year, or if Tenant’s payments of Science Facility Operating Expenses for such year exceed Tenant’s Percentage Share (Science Facility) of actual Science Facility Operating Expenses for such year, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord.

The Annual Statement shall be final and binding upon Tenant unless Tenant, within 90 days after Tenant’s receipt thereof, shall contest any item therein by giving written notice to Landlord, specifying each item contested and the reason therefor. If, during such 90 day period, Tenant reasonably and in good faith questions or contests the accuracy of Landlord’s statement of Tenant’s Share of Project Operating Expenses or Tenant’s Percentage Share (Science Facility) of Science Facility Operating Expenses, Landlord will provide Tenant with access to Landlord’s books and records relating to the

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operation of the Project and such additional information as is reasonably required to determine the accuracy of the Annual Statement or to respond to Tenant’s questions (the “Expense Information”). If after Tenant’s review of such Expense Information, Landlord and Tenant cannot agree upon the amount of Tenant’s Share of Project Operating Expenses or Tenant’s Percentage Share (Science Facility) of Science Facility Operating Expenses, then Tenant shall have the right to have an independent public accounting firm selected by Tenant, working pursuant to a fee arrangement other than a contingent fee (at Tenant’s sole cost and expense) and approved by Landlord (which approval shall not be unreasonably withheld or delayed), audit and/or review the Expense Information for the year in question (the “Independent Review”). The results of any such Independent Review shall be binding on Landlord and Tenant. If the Independent Review shows that the payments actually made by Tenant with respect to Project Operating Expenses for the calendar year in question exceeded Tenant’s Share of Project Operating Expenses for such calendar year, or that the payments actually made by Tenant with respect to Science Facility Operating Expenses for the calendar year in question exceeded Tenant’s Percentage Share (Science Facility) of Science Facility Operating Expenses, then Landlord shall at Landlord’s option either (i) credit the excess amount to the next succeeding installments of estimated Operating Expenses or (ii) pay the excess to Tenant within 30 days after delivery of such statement, except that after the expiration or earlier termination of this Lease or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord. If the Independent Review shows that Tenant’s payments with respect to Project Operating Expenses for such calendar year were less than Tenant’s Share of Project Operating Expenses for the calendar year, or that Tenant’s payments with respect to Science Facility Operating Expenses for such calendar year were less than Tenant’s Percentage Share (Science Facility) of Science Facility Operating Expenses, Tenant shall pay the deficiency to Landlord within 30 days after delivery of such statement. If the Independent Review shows that Tenant has overpaid with respect to Project Operating Expenses and Science Facility Operating Expenses by more than 5% then Landlord shall reimburse Tenant for all costs incurred by Tenant for the Independent Review.

Operating Expenses for the calendar years in which Tenant’s obligation to share therein begins and ends shall include Operating Expenses for whole calendar months in such calendar years and any partial calendar months shall be prorated. Notwithstanding anything set forth herein to the contrary, if the Project is not at least 95% occupied on average during any year of the Term, for such year those expenses included in Tenant’s Share of Project Operating Expenses that vary with the level of occupancy of the Building shall be computed as though the Project had been 95% occupied on average during such year.

“Tenant’s Share” shall be the percentage set forth in the Basic Lease Provisions as Tenant’s Share as reasonably adjusted by Landlord following a measurement of the rentable square footage of the Project and the Premises to be done by Landlord within 90 days of the Commencement Date, or as soon as reasonably possible thereafter, and shall be subject to further adjustment for changes in the physical size of the Premises or the Project occurring thereafter. Landlord may equitably or proportionately, as applicable, increase Tenant’s Share for any item of expense or cost reimbursable by Tenant that relates to a repair, replacement, or service that benefits only the Premises or only a portion of the Project that includes the Premises or that varies with occupancy or use. “Tenant’s Percentage Share (Science Facility)” means the percentage set forth in the Basic Lease Provisions, which Tenant’s Percentage Share (Science Facility) shall be subject to further adjustment for changes in the physical size of the Shared Science Facility or the Premises occurring after the date of this Lease, and may be equitably or proportionately increased, as applicable, for any item of expense or cost reimbursable that is specific to Tenant or that varies with occupancy or use or to address variations in occupancy or use of the Shared Science Facility among Tenant and other tenants. In the event that Tenant’s Share is adjusted based on a remeasurement of the Premises as set forth above, Tenant’s Percentage Share (Science Facility) shall be subject to a corresponding adjustment. “Science Facility Operating Expenses” means Landlord’s determination of all costs and expenses of any kind or description whatsoever incurred or accrued each calendar year by Landlord with respect to the Shared Science Facility at the Project (including, without duplication, water, sewer, electricity, gas and any other utilities serving such facilities, maintenance and repairs (including without limitation maintenance contracts) for such facilities and equipment therein, capital repairs, and those capital improvements the purpose of which is to reduce Science Facility
Operating Expenses and/or to comply with Legal Requirements first made effective after the date of this Lease, which capital repairs and capital improvements are in each case amortized over the lesser of 7 years and the useful life of such capital items, the contractor fees and expenses and/or salaries, wages, benefits and other compensation paid to any personnel as may be assigned in whole or in part to such facilities (equitably apportioned for those personnel as may be assigned in part to such facilities), and any Taxes assessed by a Governmental Authority (as defined below) with a valuation allocated to the Shared Science Facility in the Project, but excluding the same kinds of exclusions enumerated in clauses (a) through (u) above with respect to Project Operating Expenses. For purposes of clarification, the parties agree that those specific expense items actually included in Science Facility Operating Expenses in a year shall not also be included as Project Operating Expenses in the same year.

Landlord shall pay, as part of Operating Expenses, all taxes, levies, fees, assessments and governmental charges of any kind, existing as of the Commencement Date or thereafter enacted (collectively referred to as “Taxes”), imposed by any federal, state, regional, municipal, local or other governmental authority or agency, including, without limitation, quasi-public agencies (collectively, “Governmental Authority”) during the Term, including, without limitation, all Taxes: (i) imposed on or measured by or based, in whole or in part, on rent payable to (or gross receipts received by) Landlord under this Lease and/or from the rental by Landlord of the Project or any portion thereof, or (ii) based on the square footage, assessed value or other measure or evaluation of any kind of the Premises, the Shared Science Facility, or the Project, or (iii) assessed or imposed by or on the operation or maintenance of any portion of the Premises, the Shared Science Facility, or the Project, including parking, or (iv) assessed or imposed by, or at the direction of, or resulting from Legal Requirements, or interpretations thereof, promulgated by, any Governmental Authority, or (v) imposed as a license or other fee, charge, tax or assessment on Landlord’s business or occupation of leasing space in the Project. Landlord may contest by appropriate legal proceedings the amount, validity, or application of any Taxes or liens securing Taxes. Taxes shall not include any net income taxes imposed on Landlord except to the extent such net income taxes are in substitution for any Taxes payable hereunder, nor franchise, conveyance or excise taxes. Taxes shall not include any increase in Taxes resulting from Landlord’s sale or transfer of its interest in the Project. Project Operating Expenses hereunder shall also include the cost of tax monitoring services provided to Landlord with respect to the Project. Tenant shall pay, prior to delinquency, any and all Taxes levied or assessed against any personal property or trade fixtures placed by Tenant in the Premises, whether levied or assessed against Landlord or Tenant. If any Taxes on Tenant’s personal property or trade fixtures are levied against Landlord or Landlord’s property, or if the assessed valuation of the Project is increased by a value attributable to improvements in or alterations to the Premises made by Tenant, whether owned by Landlord or Tenant and whether or not affiliated to the real property so as to become a part thereof, higher than the base valuation on which Landlord from time-to-time allocates Taxes to all tenants in the Project, Landlord shall have the right, but not the obligation, to pay such Taxes. Landlord’s determination of any excess assessed valuation shall be binding and conclusive, absent manifest error. The amount of any such payment by Landlord shall constitute Additional Rent due from Tenant to Landlord immediately upon demand. If Landlord shall receive any abatement or refund of Taxes that does not derive from any vacancy in the Building or rent losses and such abatement or refund is for a time period for which Tenant has made payments during the Term, then out of any balance remaining after deducting Landlord’s expenses incurred in obtaining such refund or abatement, Landlord shall, at Landlord’s option, either (i) credit the excess amount determined by Landlord to be attributable to the Premises to the next succeeding installment of estimated Taxes or (ii) pay the excess amount determined by Landlord to be attributable to the Premises to Tenant within 30 days after delivery of the Annual Statement, except that after the expiration or earlier termination of this Lease or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay such excess amount determined by Landlord to be attributable to the Premises to Tenant after deducting all other amounts due Landlord. Nothing contained in this Lease shall obligate Landlord to seek a refund or abatement of Taxes.

5. Security Deposit. Tenant shall deposit with Landlord, upon delivery of an executed copy of this Lease to Landlord, a security deposit (the “Security Deposit”) for the performance of all of Tenant’s obligations hereunder in the amount set forth in the Basic Lease Provisions, which Security Deposit shall be in the form of an unconditional and irrevocable letter of credit (the “Letter of Credit”): (i)
in form and substance reasonably satisfactory to Landlord, (ii) naming Landlord as beneficiary, (iii) expressly allowing Landlord to draw upon it at any time from time to time by delivering to the issuer notice that Landlord is entitled to draw thereunder, (iv) issued by an FDIC-insured financial institution satisfactory to Landlord, and (v) redeemable by presentation of a sight draft (which may be presented by delivery by overnight courier) at the financial institution’s offices in the United States. With respect to any Letter of Credit given as a Security Deposit or Additional Security Deposit (as defined below) hereunder, if Tenant does not provide Landlord with a substitute Letter of Credit complying with all of the requirements hereof at least 10 days before the stated expiration date of any then current Letter of Credit, Landlord shall have the right to draw the full amount of the current Letter of Credit and hold the funds drawn in cash without obligation for interest thereon as the Security Deposit and, if applicable, the Additional Security Deposit. The Security Deposit and Additional Security Deposit, if any, shall be held by Landlord as security for the performance of Tenant’s obligations under this Lease. The Security Deposit and, if any, Additional Security Deposit do not constitute an advance rental deposit or a measure of Landlord’s damages in case of Tenant’s default. Upon each occurrence of a Default (as defined in Section 16), Landlord may use all or any part of the Security Deposit and, if any, the Additional Security Deposit to pay delinquent payments due under this Lease, and the cost of any damage, injury, expense or liability caused by such Default, without prejudice to any other remedy provided herein or provided by law. Tenant hereby waives the provisions of any law, now or hereafter in force, which provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of Rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums reasonably necessary to compensate Landlord for any other loss or damage, foreseeable or unforeseeable, caused by the act or omission of Tenant or any officer, employee, agent or invitee of Tenant. Upon any such use of all or any portion of the Security Deposit and/or Additional Security Deposit, Tenant shall, within 5 days after demand from Landlord, restore the Security Deposit to its original amount. If Tenant shall fully perform every provision of this Lease to be performed by Tenant, the Security Deposit, or any balance thereof (i.e., after deducting therefrom all amounts to which Landlord is entitled under the provisions of this Lease), shall be returned to Tenant (or, at Landlord’s option, to the last assignee of Tenant’s interest hereunder) within 90 days after the expiration or earlier termination of this Lease.

6. Use. The Premises shall be used solely for the Permitted Use set forth in the Basic Lease Provisions, in compliance with all laws, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Premises, and the use and occupancy thereof (collectively, “Legal Requirements”). Tenant will use the Premises in a careful, safe and proper manner and will not commit waste, overload the floor or structure of the Premises, subject the Premises to use that would damage the Premises or obstruct or interfere with the rights of Landlord or other tenants or occupants of the Project, including conducting or giving notice of any auction, liquidation, or going out of business sale on the Premises, or using or allowing the Premises to be used for any unlawful purpose.

Landlord shall, (i) as a Project Operating Expense to the extent such Legal Requirement is generally applicable to similar buildings in the area in which the Project is located and first requires alterations or modifications to the Common Areas, Shared Science Facility, Shared Conference Facility or the exterior of the Building after the Commencement Date, (ii) at Landlord’s expense to the extent such Legal Requirements first require alterations or modifications to the Common Areas, Shared Science Facility, Shared Conference Facility or the exterior of the Building prior to the Commencement Date, or (iii) at Tenant’s expense to the extent such Legal Requirement is applicable solely by reason of Tenant’s, as compared to other tenants of the Project, particular use of the Premises or to the extent that work is required as a result of any Alterations (as defined in Section 10) made by or on behalf of Tenant, make such alterations or modifications to the Common Areas, Shared Science Facility, Shared Conference Facility or the exterior of the Building that are required by such Legal Requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. § 12101, et seq. (together with regulations promulgated pursuant thereto, “ADA”). For purposes of clarification, the parties agree that the term “Alterations” does not include Landlord’s Work as defined in the Work Letter. Tenant, at its sole expense, shall make any alterations or modifications to the interior of the Premises that are first required after the Commencement Date by Legal Requirements (including without limitation, the ADA) or that are required at any time by reason of Tenant’s, as compared to other tenants of the Project, particular use of the Premises or as a result of any Alterations made by or on behalf of Tenant.

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7. Holding Over. If Tenant remains in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Landlord, (A) Tenant shall become a tenant at sufferance upon the terms of this Lease except that the monthly rental shall be equal to 150% of the Rent in effect during the last 30 days of the Term, and (B) Tenant shall be responsible for all damages suffered by Landlord resulting from or occasioned by Tenant’s holding over, including consequential damages; provided, however that Tenant’s obligation to pay such consequential damages shall be with respect to the period following the first 30 days after the expiration or earlier termination of the Term. Acceptance by Landlord of Rent after the expiration of the Term or earlier termination of this Lease shall not result in a renewal or reinstatement of this Lease.

8. Parking. Subject to all matters of record, Force Majeure (as defined in Section 36 below), a casualty or Taking (as defined in Section 15 below) and the exercise by Landlord of its rights hereunder, Landlord shall make available to Tenant at then-current market rates from time to time a license for 32 parking spaces in the surface parking lots at the Project or at the “Brown Lot” at 100 Binney Street, Cambridge, Massachusetts, all of such parking spaces to be on a non-reserved basis. The market parking rate for the parking spaces in such surface lots is $210 per parking space per month. Landlord shall not be responsible for enforcing Tenant’s parking rights against any third parties, including without limitation other tenants of the Project. In the event that Landlord must alter the location of such parking spaces as a result of construction, Landlord shall have the right, exercisable by 30 days’ prior written notice to Tenant (“Landlord’s Relocation Notice”) given at any time during the Term, to relocate all or a portion of the parking spaces made available to Tenant hereunder to another location within a 7-minute walk of the Building; provided, however, that if the relocated parking set forth in Landlord’s Relocation Notice is not within a 4-minute walk of the Building, Tenant may elect not to accept the relocated parking spaces by written notice to Landlord given within 30 days of the date of Landlord’s Relocation Notice. If Tenant notifies Landlord within such 30-day period that Tenant elects not to accept such relocated parking spaces, then Tenant’s parking rights hereunder shall terminate and be void as of the date set forth in Landlord’s Relocation Notice as the effective date for such relocation and Tenant shall as of such effective date no longer have the obligation to pay the parking rates for such parking spaces. If Tenant fails to notify Landlord within such 30-day period that Tenant elects not to accept such relocated parking spaces, then Tenant’s rights and obligations under this Section 8 shall apply to the relocated parking spaces as of the effective date set forth in the Landlord’s Relocation Notice.


(a) Landlord shall provide, subject to the terms of this Section 9, water, electricity, heat, air conditioning, light, power, passenger elevator service, telephone (to the central demarcation room only), sewer, and other utilities (including gas and fire sprinklers to the extent the Project is plumbed for such services), and, for the office portion of the Premises only, refuse and trash collection and janitorial services (collectively, “Utilities”). Landlord shall pay, as Operating Expenses or subject to Tenant’s reimbursement obligation, for all Utilities used on the Premises, all maintenance charges for Utilities, and any storm sewer charges or other similar charges for Utilities imposed by any Governmental Authority or Utility provider, and any taxes, penalties, surcharges or similar charges thereon. Electricity serving the Premises will be separately submetered. Landlord may cause, at Landlord’s expense, any Utilities to be separately metered or charged directly to Tenant by the provider. Tenant shall pay directly to the Utility provider, prior to delinquency, any separately metered Utilities and services which may be furnished to Tenant or the Premises during the Term. Tenant shall pay, as part of Operating Expenses, its share of all charges for jointly metered Utilities based upon consumption, as reasonably determined by Landlord. No interruption or failure of Utilities, from any cause whatsoever, shall result in eviction or constructive eviction of Tenant, termination of this Lease or the abatement of Rent. Tenant agrees to limit use of water and sewer with respect to Common Areas to normal restroom use.
Tenant shall provide janitorial services and trash collection for the office, laboratory and any other portions of the Premises, and Landlord shall provide as a Project Operating Expense a dumpster and/or compactor at the loading dock for use by Tenant in common with others entitled thereto for the disposal of non-hazardous and non-controlled substances and material.

Tenant may use the freight elevator and loading dock in common with others entitled thereto at no additional charge. The regular hours of operation of the freight elevator and loading dock are 24 hours per day, 7 days per week, subject to downtime for maintenance and repairs.

Landlord’s sole obligation for providing standby generators or any other standby power equipment, systems, furnishings or personal property, whether or not affixed to the Building (collectively, the “Equipment”) shall be (i) to provide such Equipment as is determined by Landlord in its sole and absolute discretion, and (ii) to contract with a third party (determined by Landlord to be qualified) to maintain the Equipment that is deemed by Landlord (in its reasonable professional discretion) to need periodic maintenance per the manufacturer’s standard maintenance guidelines. Landlord shall have no obligation to provide Tenant with operational Equipment, back-up Equipment or back-up utilities or to supervise, oversee or confirm that the third party maintaining the Equipment is maintaining the Equipment as per the manufacturer’s standard guidelines or otherwise. During any period of replacement, repair or maintenance of the Equipment when such Equipment is not operational, including any delays thereto due to the inability to obtain parts or replacements, Landlord shall have no obligation to provide Tenant with alternative or back-up Equipment or alternative sources of utilities. Tenant expressly acknowledges and agrees that Landlord does not guaranty that the Equipment will be operational at all times, will function or perform adequately, or that emergency power will be available to the Premises when needed, and Landlord shall not be liable for any damages resulting from the failure of such Equipment. Tenant hereby releases Landlord from and against any and all claims arising directly or indirectly out of or relating to the Equipment, or the existence, use of failure thereof, unless caused solely by the willful misconduct or gross negligence of Landlord. The terms of this Section 9(d) shall survive the expiration or earlier termination of this Lease.

10. Alterations; Tenant’s Property. Any alterations, additions, or improvements made to the Premises by or on behalf of Tenant, including additional plugs or jacks to Building Systems (as defined in Section 11(a) below) (“Alterations”) shall be subject to Landlord’s prior written consent, which may be given or withheld in Landlord’s sole discretion if any such Alteration affects the structure or Building Systems, but which shall otherwise not be unreasonably withheld or delayed. If Landlord approves any Alterations, Landlord may impose such conditions on Tenant in connection with the commencement, performance and completion of such Alterations as Landlord may deem appropriate in Landlord’s reasonable discretion. Tenant agrees to take such steps as may be required, or as otherwise directed by Landlord, with respect to contractors and subcontractors performing any Alterations to ensure that no labor disruption, strikes, pickets, protests or other similar labor actions occur or about the Premises in connection with the performance of work on any Alterations. Any request for approval of Alterations shall be in writing, delivered not less than 15 business days in advance of any proposed construction, and accompanied by plans, specifications, bid proposals, work contracts and such other information concerning the nature and cost of the Alterations as may be reasonably requested by Landlord, including the identities and mailing addresses of all persons performing work or supplying materials. Landlord’s right to review plans and specifications and to monitor construction shall be solely for its own benefit, and Landlord shall have no duty to ensure that such plans and specifications or construction comply with applicable Legal Requirements. Tenant shall cause, at its sole cost and expense, all Alterations to comply with insurance requirements and with Legal Requirements and shall implement at its sole cost and expense any alteration or modification required by Legal Requirements as a result of any Alterations. Tenant shall pay to Landlord, as Additional Rent, within 10 days after demand Landlord’s out-of-pocket expenses for plan review, coordination, scheduling and supervision in connection with any Alterations. Before Tenant begins any Alteration, Landlord may post on and require Tenant to comply with copies of the applicable plans, specifications and building or other governmental codes. Tenant acknowledges and agrees that Landlord does not guaranty that the Equipment will be operational at all times, will function or perform adequately, or that emergency power will be available to the Premises when needed, and Landlord shall not be liable for any damages resulting from the failure of such Equipment. Tenant hereby releases Landlord from and against any and all claims arising directly or indirectly out of or relating to the Equipment, or the existence, use of failure thereof, unless caused solely by the willful misconduct or gross negligence of Landlord. The terms of this Section 9(d) shall survive the expiration or earlier termination of this Lease.

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Tenant shall furnish security or make other arrangements satisfactory to Landlord to assure payment for the completion of all Alterations work free and clear of liens, and shall provide (and cause each contractor or subcontractor to provide) certificates of insurance for workers’ compensation and other coverage in amounts and from an insurance company reasonably satisfactory to Landlord protecting Landlord against liability for personal injury or property damage during construction. Upon completion of any Alterations, Tenant shall deliver to Landlord: (i) sworn statements setting forth the names of all contractors and subcontractors who did the work and final lien waivers from all such contractors and subcontractors; and (ii) “as built” plans for any such Alteration.

Other than (i) the items, if any, listed on Exhibit H attached hereto, (ii) any items agreed by Landlord in writing to be included on Exhibit H in the future, and (iii) any trade fixtures, machinery, equipment and other personal property not installed by Landlord or its contractor as part of the Tenant Improvements (as defined in the Work Letter) which may be removed without material damage to the Premises, which damage shall be repaired (including capping or terminating utility hook-ups behind walls) by Tenant during the Term (collectively, “Tenant’s Property”), all property of any kind paid or installed by Landlord or its contractor as part of the Tenant Improvements, Alterations, real property fixtures, built-in machinery and equipment, built-in casework and cabinets and other similar additions and improvements built into the Premises so as to become an integral part of the Premises, such as fume hoods which penetrate the roof or plenum area, built-in cold rooms, built-in warm rooms, walk-in cold rooms, walk-in warm rooms, deionized water systems, glass washing equipment, autoclaves, chillers, built-in plumbing, electrical and mechanical equipment and systems, and any power generator and transfer switch (collectively, “Installations”) shall be and shall remain the property of Landlord during the Term and following the expiration or earlier termination of the Term, shall not be removed by Tenant at any time during the Term and shall remain upon and be surrendered with the Premises as a part thereof in accordance with Section 24 following the expiration or earlier termination of this Lease; provided, however, that Landlord shall, at the time its approval of such Installation is requested, notify Tenant if it has elected to cause Tenant to remove such Installation upon the expiration or earlier termination of this Lease. If Landlord so elects, Tenant shall remove such Installation upon the expiration or earlier termination of this Lease and restore any damage caused by or occasioned as a result of such removal, including, when removing any of Tenant’s Property which was plumbed, wired or otherwise connected to any of the Building’s plumbing, electrical or other Building Systems, capping off all such connections behind the walls of the Premises and repairing any holes. During any such restoration period, Tenant shall pay Rent to Landlord as provided herein as if said space were otherwise occupied by Tenant.

11. Repairs.

(a) Landlord’s Repairs. Landlord, as an Operating Expense, shall maintain all of the structural, exterior, parking and other Common Areas of the Project, including HVAC, plumbing, fire sprinklers, elevators and all other building systems serving the Premises and other portions of the Project (“Building Systems”), in good repair, reasonable wear and tear and uninsured losses and damages caused by Tenant, or by any of Tenant’s agents, servants, employees, invitees and contractors (individually, a “Tenant Party” and collectively, “Tenant Parties”) excluded. Landlord shall repair losses and damages caused by Tenant or any Tenant Party at Tenant’s sole cost and expense. Such maintenance and repairs by Landlord under this Section shall include Landlord’s making such replacements as Landlord may deem necessary in its sole discretion. Landlord reserves the right to stop building system services when necessary. Landlord shall have no responsibility or liability for failure to supply building system services during any such period of interruption; provided, however, that Landlord shall give Tenant 24 hours advance notice of any planned stoppage of building system services for routine maintenance, repairs, alterations or improvements. Landlord shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after Tenant’s written notice of the need for such repairs or maintenance. Tenant waives its rights under any state or local law to terminate this Lease or to make such repairs at Landlord’s expense and agrees that the parties’ respective rights with respect to such matters shall be solely as set forth herein. Repairs required as the result of fire, earthquake, flood, vandalism, war, or similar cause of damage or destruction shall be controlled by Section 15.
(b) **Tenant’s Repairs.** Subject to Section 11(a) and Section 15 hereof, Tenant, at its expense, shall repair, replace and maintain in good condition, damage covered by Section 15 and ordinary wear and tear excepted, all portions of the Premises, including, without limitation, entries, doors, ceilings, interior windows, interior walls, and the interior side of demising walls. Such repair and replacement may include capital expenditures and repairs whose benefit may extend beyond the Term. Should Tenant fail to make any such repair or replacement or fail to maintain the Premises, Landlord shall give Tenant notice of such failure. If Tenant fails to commence cure of such failure within 20 days of Landlord’s notice, and thereafter diligently prosecute such cure to completion, Landlord may perform such work and shall be reimbursed by Tenant within 30 days after demand therefor; provided, however, that if such failure by Tenant creates or could create an emergency, Landlord may immediately commence cure of such failure and shall thereafter be entitled to recover the costs of such cure from Tenant. Subject to Section 15, Tenant shall bear the full uninsured cost of any repair or replacement to any part of the Project that results from damage caused by Tenant or any Tenant Party and any repair that benefits only the Premises.

12. **Liens.** Tenant shall discharge, by bond or otherwise, any liens filed against the Premises or against the Project arising out of work performed or claimed to have been performed, materials furnished or claimed to have been or obligations incurred or claimed to have been incurred by Tenant within 10 business days after notice to Tenant of the filing thereof, at Tenant’s sole cost.

13. **Indemnification.** Tenant hereby indemnifies and agrees to defend, save and hold Landlord harmless from and against any and all claims for injury or death to persons or damage to property (i) occurring within the Premises and arising directly or indirectly out of use or occupancy of the Premises, unless caused solely by the willful misconduct or negligence of Landlord, (ii) occurring outside of the Premises (including without limitation in the Shared Science Facility or Shared Conference Facility) and arising directly or indirectly out of an act or omission of Tenant, or (iii) arising directly or indirectly out of or a breach or default by Tenant in the performance of any of its obligations hereunder or under the License Agreement. Landlord shall not be liable to Tenant for, and Tenant assumes all risk of damage to, personal property (including, without limitation, loss of records kept within the Premises or any part of the Project). Tenant further waives any and all claims for injury to Tenant’s business or loss of income relating to any such damage or destruction of personal property (including, without limitation, any loss of records). Landlord shall not be liable for any damages arising from any act, omission or neglect of any tenant in the Project or of any other third party.

14. **Insurance.** Landlord shall maintain all risk property and, if applicable, sprinkler damage insurance covering the full replacement cost of the Building with deductibles not in excess of commercially reasonable deductibles. Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary, including, but not limited to, commercial general liability insurance, All such insurance shall be included as part of the Project Operating Expenses. The Project may be included in a blanket policy (in which case the cost of such insurance allocable to the Project will be determined by Landlord based upon the insurer’s cost calculations).

Tenant, at its sole cost and expense, shall maintain during the Term: all risk property insurance with business interruption and extra expense coverage, covering the full replacement cost of all property and improvements installed or placed in the Premises by Tenant at Tenant’s expense; workers’ compensation insurance with no less than the minimum limits required by law; employer’s liability insurance with such limits as required by law; and commercial general liability insurance, with a minimum limit of not less than $2,000,000 per occurrence for bodily injury and property damage with respect to the Premises, Shared Science Facility and Shared Conference Facility. The commercial general liability insurance policy shall name Landlord, its officers, directors, employees, managers, members, agents, invitees and contractors (individually, a “Landlord Party” and collectively, “Landlord Parties”) and Alexandria Real Estate Equities, Inc., as additional insureds; insure on an occurrence and not a claims-made basis; be issued by insurance companies which have a rating of not less than policyholder rating of A and financial category rating of at least Class X in “Best’s Insurance Guide”; shall not be cancelable for nonpayment of premium unless 10 days prior written notice shall have been given to Landlord from the insurer; contain a hostile fire endorsement and a contractual liability endorsement; and provide primary

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coverage to Landlord (any policy issued to Landlord providing duplicate or similar coverage shall be deemed excess over Tenant’s policies). Copies of such policies (if requested by Landlord), or certificates of insurance showing the limits of coverage required hereunder and showing Landlord as an additional insured, along with reasonable evidence of the payment of premiums for the applicable period, shall be delivered to Landlord by Tenant upon commencement of the Term and upon each renewal of said insurance. Tenant’s policy may be a “blanket policy” with an aggregate per location endorsement which specifically provides that the amount of insurance shall not be prejudiced by other losses covered by the policy. Tenant shall, at least 5 days prior to the expiration of such policies, furnish Landlord with renewal certificates.

In each instance where insurance is to name Landlord as an additional insured, Tenant shall upon written request of Landlord also designate and furnish certificates so evidencing Landlord as additional insured to: (i) any lender of Landlord holding a security interest in the Project or any portion thereof and any servicer in connection therewith, (ii) the landlord under any lease wherein Landlord is tenant of the real property on which the Project is located, if the interest of Landlord is or shall become that of a tenant under a ground or other underlying lease rather than that of a fee owner, and/or (iii) any management company retained by Landlord to manage the Project.

The property insurance obtained by Landlord and Tenant shall include a waiver of subrogation by the insurers and all rights based upon an assignment from its insured, against Landlord or Tenant, and their respective officers, directors, employees, managers, members, agents, invitees and contractors (“Related Parties”), in connection with any loss or damage thereby insured against. Neither party nor its respective Related Parties shall be liable to the other for loss or damage caused by any risk insured against under property insurance required to be maintained hereunder, and each party waives any claims against the other party, and its respective Related Parties, for such loss or damage. The failure of a party to insure its property shall not void this waiver. Landlord and its respective Related Parties shall not be liable for, and Tenant hereby waives all claims against such parties for, business interruption and losses occasioned thereby sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in or upon the Premises or the Project.

15. Condemnation and Casualty. If at any time during the Term the Premises, Common Areas or Project is in whole or in part (i) materially damaged or destroyed by a fire or other casualty, or (ii) taken for any public or quasi-public use under governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a “Taking”), then this Lease shall, at the written election of Landlord delivered to Tenant within sixty (60) days following such casualty or taking, terminate as of the date of such damage, destruction or Taking. If at any time during the Term the Premises or Common Areas are in whole or in part (i) materially damaged or destroyed by a fire or other casualty, or (ii) subject to a Taking, then this Lease shall, at the written election of Tenant delivered to Landlord within sixty (60) days following such casualty or taking, terminate as of the date of such damage, destruction or Taking. Unless either Landlord or Tenant so elects to terminate this Lease, Landlord shall, subject to receipt of sufficient insurance proceeds (with any deductible to be treated as a current Project Operating Expense), promptly restore the Premises and Common Areas (excluding the improvements installed by Tenant or by Landlord and paid for by Tenant), subject to delays arising from the collection of insurance proceeds, from Force Majeure events or as needed to obtain any license, clearance or other authorization of any kind required to enter into and restore the Premises issued by any Governmental Authority having jurisdiction over the use, storage, handling, treatment, generation, release, disposal, removal or remediation of Hazardous Materials (as defined in Section 26) in, on or about the Premises or Common Areas (collectively referred to herein as “Hazardous Materials Clearances”).

If neither Tenant nor Landlord elect to terminate this Lease pursuant to the immediately preceding paragraph, Rent shall be abated from the date all required Hazardous Material Clearances are obtained until the Premises or Common Areas are repaired and restored, in the proportion which the area of the Premises, if any, which is not usable by Tenant bears to the total area of the Premises, unless Landlord provides Tenant with other space during the period of repair that is suitable for the temporary conduct of
Tenant’s business. Such abatement shall be the sole remedy of Tenant, and except as provided in this Section 15, Tenant waives any right to terminate the Lease by reason of damage or casualty loss, provided that, if Landlord shall fail to restore the Premises or Common Areas within 9 months after the receipt of any Hazardous Materials Clearances (or if Landlord determines that no Hazardous Materials Clearances are required, within 9 months of the end of the 60-day period referred to in the first and second sentences of the immediately preceding paragraph), Tenant shall have a further right to terminate this Lease by written notice to Landlord delivered within 60 days after the expiration of such 9-month period, provided further, that if Landlord completes such restoration within 30 days after receipt of Tenant’s termination notice, such termination notice shall be void and this Lease shall continue in full force and effect.

The provisions of this Lease, including this Section 15, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, or any other portion of the Project, and any statute or regulation which is now or may hereafter be in effect shall have no application to this Lease or any damage or destruction to all or any part of the Premises or any other portion of the Project, the parties hereto expressly agreeing that this Section 15 sets forth their entire understanding and agreement with respect to such matters. Upon any fire or other casualty or Taking, Landlord shall be entitled to receive the entire proceeds of the insurance maintained by Landlord and the entire price or award from any such Taking without, in either case, any payment to Tenant, and Tenant hereby assigns to Landlord Tenant’s interest, if any, in such proceeds or award, except that Tenant shall have the right, to the extent that same shall not diminish Landlord’s award, to make a separate claim against the condemning authority (but not Landlord) for such compensation as may be separately awarded or recoverable by Tenant for moving expenses and damage to Tenant’s personal property or trade fixtures, if a separate award for such items is made to Tenant.

16. Events of Default. Each of the following events shall be a default ("Default") by Tenant under this Lease:

(a) Payment Defaults. Tenant shall fail to pay any installment of Rent or any other payment hereunder when due; provided, however, that Landlord will give Tenant notice and an opportunity to cure any failure to pay Rent within 5 business days of any such notice not more than once in any 12 month period and Tenant agrees that such notice shall be in lieu of and not in addition to, or shall be deemed to be, any notice required by law.

(b) Insurance. Any insurance required to be maintained by Tenant pursuant to this Lease shall be canceled or terminated or shall expire or shall be reduced or materially changed, or Landlord shall receive a notice of nonrenewal of any such insurance and Tenant shall fail to obtain replacement insurance at least 5 days before the expiration of the current coverage.

(c) Improper Transfer. Tenant shall assign, sublease or otherwise transfer or attempt to transfer all or any portion of Tenant’s interest in this Lease or the Premises except as may be expressly permitted herein, or Tenant’s interest in this Lease shall be attached, executed upon, or otherwise judicially seized and such action is not released within 90 days of the action.

(d) Liens. Tenant shall fail to discharge or otherwise obtain the release of any lien upon the Premises in violation of this Lease within 10 days after the date that Tenant was required to discharge or otherwise obtain the release of such lien pursuant to Section 12 above.

(e) Insolvency Events. Tenant or any guarantor or surety of Tenant’s obligations hereunder shall: (A) make a general assignment for the benefit of creditors; (B) commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property (collectively a “Proceeding for Relief”); (C) become the subject of any Proceeding for Relief which is not dismissed within 90 days of its filing or entry; or (D) die or suffer a legal disability (if Tenant, guarantor, or surety is an individual) or be dissolved or otherwise fail to maintain its legal existence (if Tenant, guarantor or surety is a corporation, partnership or other entity).

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(f) **Estoppel Certificate or Subordination Agreement.** Tenant fails to execute any document required from Tenant under Sections 19 or 22 within 5 days after a second notice requesting such document.

(g) **Default under License.** Tenant shall be in default or breach of any of its obligations under the License beyond any cure period as may be expressly set forth in the License.

(h) **Other Defaults.** Tenant shall fail to comply with any provision of this Lease other than those specifically referred to in this Section 16, and, except as otherwise expressly provided herein, such failure shall continue for a period of 30 days after written notice thereof from Landlord to Tenant, provided that if the nature of such default is such that it cannot be cured by the payment of money and reasonably requires more than 30 days to cure, then Tenant shall not be deemed to be in Default if Tenant commences such cure within 30 days of the aforesaid notice from Landlord and thereafter diligently prosecutes such cure to completion within 90 days of the aforesaid notice from Landlord. Any notice given under this Section 16(h) shall: (i) specify the alleged default, (ii) demand that Tenant cure such default, (iii) be in lieu of, and not in addition to, or shall be deemed to be, any notice required under any provision of applicable law, and (iv) not be deemed a forfeiture or a termination of this Lease unless Landlord elects otherwise in such notice.

17. **Landlord's Remedies.**

(a) **Payment By Landlord; Interest.** Upon a Default by Tenant hereunder, Landlord may, without waiving or releasing any obligation of Tenant hereunder, make such payment or perform such act that is the subject of the Default. All sums so paid or incurred by Landlord, together with interest thereon, from the date such sums were paid or incurred, at the annual rate equal to 12% per annum or the highest rate permitted by law (the “Default Rate”), whichever is less, shall be payable to Landlord on demand as Additional Rent. Nothing herein shall be construed to create or impose a duty on Landlord to mitigate any damages resulting from Tenant’s Default hereunder.

(b) **Late Payment Rent.** Late payment by Tenant to Landlord of Rent and other sums due will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult and impracticable to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord under any Mortgage covering the Premises. Therefore, if any installment of Rent due from Tenant is not received by Landlord within 5 days after the date such payment is due, Tenant shall pay to Landlord an additional sum equal to 6% of the overdue Rent as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. In addition to the late charge, Rent not paid when due shall bear interest at the Default Rate from the 5th day after the date due until paid.

(c) **Other Remedies.** Upon and during the continuance of a Default, Landlord, at its option, without further notice or demand to Tenant, shall have in addition to all other rights and remedies provided in this Lease, at law or in equity, the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever. No cure in whole or in part of such Default by Tenant after Landlord has taken any action beyond giving Tenant notice of such Default to pursue any remedy provided for herein (including retaining counsel to file an action or otherwise pursue any remedies) shall in any way affect Landlord’s right to pursue such remedy or any other remedy provided Landlord herein or under law or in equity, unless Landlord, in its sole discretion, elects to waive such Default.

   (i) This Lease and the Term and estate hereby granted are subject to the limitation that whenever a Default shall have happened and be continuing, Landlord shall have the right, at its election, then or thereafter while any such Default shall continue and

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notwithstanding the fact that Landlord may have some other remedy hereunder or at law or in equity, to give Tenant written notice of Landlord’s intention to terminate this Lease on a date specified in such notice, which date shall be not less than 5 days after the giving of such notice, and upon the date so specified, this Lease and the estate hereby granted shall expire and terminate with the same force and effect as if the date specified in such notice were the date hereinafter fixed for the expiration of this Lease, and all rights of Tenant hereunder shall expire and terminate, and Tenant shall be liable as hereinafter in this Section 17(c) provided. If any such notice is given, Landlord shall have, on such date so specified, the right of re-entry and possession of the Premises and the right to remove all persons and property therefrom and to store such property in a warehouse or elsewhere at the risk and expense, and for the account, of Tenant. Should Landlord elect to re-enter as herein provided or should Landlord take possession pursuant to legal proceedings or pursuant to any notice provided for by law, Landlord may from time to time re-let the Premises or any part thereof for such term or terms and at such rental or rentals and upon such terms and conditions as Landlord may deem advisable, with the right to make commercially reasonable alterations in and repairs to the Premises.

(ii) In the event of any termination of this Lease as in this Section 17 provided or as required or permitted by law or in equity, Tenant shall forthwith quit and surrender the Premises to Landlord, and Landlord may, without further notice, enter upon, re-enter, possess and repossess the same by summary proceedings, ejectment or otherwise, and again have, repossess and enjoy the same as if this Lease had not been made, and in any such event Tenant and no person claiming through or under Tenant by virtue of any law or an order of any court shall be entitled to possession or to remain in possession of the Premises. Landlord, at its option, notwithstanding any other provision of this Lease, shall be entitled to recover from Tenant, as and for liquidated damages, the sum of:

(A) all Base Rent, Additional Rent and other amounts payable by Tenant hereunder then due or accrued and unpaid: and

(B) the amount equal to the aggregate of all unpaid Base Rent and Additional Rent which would have been payable if this Lease had not been terminated prior to the end of the Term then in effect, discounted to its then present value in accordance with accepted financial practice using a rate of 5% per annum, for loss of the bargain; and

(C) all other damages and expenses (including attorneys’ fees and expenses), if any, which Landlord shall have sustained by reason of the breach of any provision of this Lease; less

(D) the net proceeds of any re-letting actually received by Landlord and (ii) the amount of damages which Tenant proves could have been avoided had Landlord taken reasonable steps to mitigate its damages.

(iii) Nothing herein contained shall limit or prejudice the right of Landlord, in any bankruptcy or insolvency proceeding, to prove for and obtain as liquidated damages by reason of such termination an amount equal to the maximum allowed by any bankruptcy or insolvency proceedings, or to prove for and obtain as liquidated damages by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law whether such amount shall be greater or less than the excess referred to above.

(iv) Nothing in this Section 17 shall be deemed to affect the right of either party to indemnifications pursuant to this Lease.
(v) If Landlord terminates this Lease upon the occurrence of a Default, Tenant will quit and surrender the Premises to Landlord or its agents, and Landlord may, without further notice, enter upon, re-enter and repossess the Premises by summary proceedings, ejectment or otherwise. The words “enter”, “re-enter”, and “re-entry” are not restricted to their technical legal meanings.

(vi) If either party shall be in default in the observance or performance of any provision of this Lease, and an action shall be brought for the enforcement thereof in which it shall be determined that such party was in default, the party in default shall pay to the other all fees, costs and other expenses which may become payable as a result thereof or in connection therewith, including attorneys’ fees and expenses.

(vii) If Tenant shall default in the keeping, observance or performance of any covenant, agreement, term, provision or condition herein contained, Landlord, without thereby waiving such default, may perform the same for the account and at the expense of Tenant (a) immediately or at any time thereafter and without notice in the case of emergency or in case such default will result in a violation of any legal or insurance requirements, or in the imposition of any lien against all or any portion of the Premises, and (b) in any other case if such default continues after any applicable cure period provided in Section 16. All reasonable costs and expenses incurred by Landlord in connection with any such performance by it for the account of Tenant and also all reasonable costs and expenses, including attorneys’ fees and disbursements incurred by Landlord in any action or proceeding (including any summary dispossess proceeding) brought by Landlord to enforce any obligation of Tenant under this Lease and/or right of Landlord in or to the Premises, shall be paid by Tenant to Landlord within 10 days after demand.

(viii) Independent of the exercise of any other remedy of Landlord hereunder or under applicable law, Landlord may conduct an environmental test of the Premises as generally described in Section 26(c), at Tenant’s expense.

(ix) In the event that Tenant is in breach or Default under this Lease, whether or not Landlord exercises its right to terminate or any other remedy, Tenant shall reimburse Landlord upon demand for any costs and expenses that Landlord may incur in connection with any such breach or Default, as provided in this Section 17(c). Such costs shall include legal fees and costs incurred for the negotiation of a settlement, enforcement of rights or otherwise. Tenant shall also indemnify Landlord against and hold Landlord harmless from all costs, expenses, demands and liability, including without limitation, legal fees and costs Landlord shall incur if Landlord shall become or be made a party to any claim or action instituted by Tenant against any third party, or by any third party against Tenant, or by or against any person holding any interest under or using the Premises by license of or agreement with Tenant.

(d) Except as otherwise provided in this Section 17, no right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and every right and remedy shall be cumulative and in addition to any other legal or equitable right or remedy given hereunder, or now or hereafter existing. No waiver of any provision of this Lease shall be deemed to have been made unless expressly so made in writing. Landlord shall be entitled, to the extent permitted by law, to seek injunctive relief in case of the violation, or attempted or threatened violation, of any provision of this Lease, or to seek a decree compelling observance or performance of any provision of this Lease, or to seek any other legal or equitable remedy.
18. Assignment and Subletting.

(a) General Prohibition. Subject to and on the conditions described in this Section 18, Tenant shall not, directly or indirectly, voluntarily or by operation of law, or without Landlord’s prior written consent, assign this Lease or sublease the Premises or any part thereof or mortgage, pledge, or hypothecate its leasehold interest or grant any concession or license within the Premises, and any attempt to do any of the foregoing shall be void and of no effect. If Tenant is a corporation, partnership or limited liability company, the shares or other ownership interests thereof which are not actively traded upon a stock exchange or in the over-the-counter market, a transfer or series of transfers whereby 25% or more of the issued and outstanding shares or other ownership interests of such corporation or, voting control is, transferred (but excepting transfers upon deaths of individual owners) from a person or persons or entity or entities which were owners thereof at time of execution of this Lease to persons or entities who were not owners of shares or other ownership interests of the corporation, partnership or limited liability company at time of execution of this Lease, shall be deemed an assignment of this Lease requiring the consent of Landlord as provided in this Section 18. Notwithstanding the foregoing, any public offering of shares or other ownership interest in Tenant or any private equity financing by one or more investors who regularly invest in private biotechnology companies, for which Tenant has given Landlord prior written notice, shall not be deemed an assignment. Such prior written notice shall be treated by Landlord as confidential information subject to Section 36(i) below.

(b) Permitted Transfers. If Tenant desires to assign, sublease (in whole or in part), hypothecate or otherwise transfer this Lease or sublet the Premises, then at least 15 business days, not more than 45 business days, before the date Tenant desires the assignment or sublease to be effective (the “Assignment Date”), Tenant shall give Landlord a notice (the “Assignment Notice”) containing such information about the proposed assignee or sublessee, including the proposed use of the Premises and any Hazardous Materials proposed to be used, stored handled, treated, generated in or released or disposed of from the Premises, the Assignment Date, any relationship between Tenant and the proposed assignee or sublessee, and all material terms and conditions of the proposed assignment or sublease, including a copy of any proposed assignment or sublease in its final form, and such other information as Landlord may deem reasonably necessary or appropriate to its consideration whether to grant its consent. Landlord may, by giving written notice to Tenant within 15 business days after receipt of the Assignment Notice: (i) grant such consent, (ii) refuse such consent, in its sole and absolute discretion, to any proposed assignment, hypothecation or other transfer other than a subletting, (iii) refuse such consent, in its reasonable discretion, to a proposed subletting (provided that Landlord shall further have the right to review and approve or disapprove the proposed form of sublease prior to the effective date of any such subletting), or (iv) with respect to any proposed assignment, hypothecation or transfer, or with respect to any proposed subletting for the remainder of the Term of more than 50% of the Premises (taken together with any prior sublettings other than Permitted Assignments (as defined below) that were made for the remainder of the Term), terminate this Lease with respect to the space described in the Assignment Notice (an “Assignment Termination”). If Landlord delivers notice of its election to exercise an Assignment Termination, Tenant shall have the right to withdraw such Assignment Notice by written notice to Landlord of such election within 5 business days after Landlord’s notice electing to exercise the Assignment Termination. If Tenant withdraws such Assignment Notice, this Lease, and the term and estate herein granted, shall terminate as of the Assignment Date with respect to the space described in such Assignment Notice. No failure of Landlord to exercise any such option to terminate this Lease, or to deliver a timely notice in response to the Assignment Notice, shall be deemed to be Landlord’s consent to the proposed assignment, sublease or other transfer. Tenant shall pay to Landlord a fee equal to One Thousand Five Hundred Dollars ($1,500) in connection with its consideration of any Assignment Notice and/or its preparation or review of any consent documents.

In considering whether or not to consent to any proposed sublease under clause (iii) of Section 18(b) above, Landlord shall be deemed to have acted reasonably if consent is refused for any of the following reasons: (A) the business or financial reputation of the proposed sublessee, or the business or financial reputation of any of the respective principals or officers thereof, is objectionable in Landlord’s judgment, (B) the proposed sublessee is engaged in areas of scientific research or other business concerns that are reasonably likely in Landlord’s judgment to attract negative publicity about, or protest at, the Building, or its proposed use of the Premises will violate any applicable Legal Requirement, (C) the proposed sublessee is at that time an occupant of the Project (and Landlord has comparable available

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space in the Project) or negotiating with Landlord or an affiliate thereof for the lease of other space in the Project, (D) the proposed sublessee does not have a creditworthiness, as of the date of transfer, sufficient to support the financial obligations it would incur under the proposed sublease in Landlord’s judgment, (E) the proposed sublessee is a governmental agency, (F) in Landlord’s judgment the use of the Premises by the proposed sublessee would entail any alterations that would lessen the value of the leasehold improvements in the Premises (unless the proposed sublessee or Tenant agrees in writing to restore the Premises to their original condition on or before the expiration or earlier termination of the Lease and provides such security for such obligations as Landlord determines is reasonably sufficient), or would require increased services by Landlord, (G) Landlord has received from any other landlord to the proposed sublessee a negative report concerning such other landlord’s experience with the proposed sublessee, (H) Landlord has experienced previous defaults by or is in litigation with the proposed sublessee, (I) the proposed sublease will create a vacancy elsewhere in the Project or at any other property owned in whole or in part by Landlord or any of its affiliates and located in Massachusetts, or (J) the sublease is prohibited by Landlord’s lender, if any.

Notwithstanding the foregoing, (i) Landlord’s consent to an assignment of this Lease or a subletting of any portion of the Premises to any entity controlling, controlled by or under common control with Tenant shall not be required, provided that Landlord shall have the right to reasonably approve the form of any such sublease or assignment; and (ii) Tenant shall have the right to assign this Lease, upon 10 days prior written notice to Landlord but without obtaining Landlord’s prior written consent, to a corporation or other entity which is a successor-in-interest to Tenant, by way of merger, consolidation or corporate reorganization, or by the purchase of all or substantially all of the assets or the ownership interests of Tenant provided that (i) such merger or consolidation, or such acquisition or assumption, as the case may be, is for a good business purpose and not principally for the purpose of transferring the Lease, and (ii) the net worth (as determined in accordance with generally accepted accounting principles (“GAAP”)) of the assignee is not less than the net worth (as determined in accordance with GAAP) of Tenant as of the date of Tenant’s most current quarterly or annual financial statements, and (iii) such assignee shall agree in writing to assume all of the terms, covenants and conditions of this Lease arising after the effective date of the assignment. The subletting and assignment described in clauses (i) and (ii) of this paragraph are referred to as a “Permitted Assignment.”

(c) Additional Conditions. As a condition to any such assignment or subletting, whether or not Landlord’s consent is required, Landlord may require:

(i) that any assignee or subtenant agree, in writing at the time of such assignment or subletting, that if Landlord gives such party notice that Tenant is in default under this Lease, such party shall thereafter make all payments otherwise due Tenant directly to Landlord, which payments will be received by Landlord without any liability except to credit such payment against those due under the Lease, and any such third party shall agree to attorn to Landlord or its successors and assigns should this Lease be terminated for any reason; provided, however, in no event shall Landlord or its successors or assigns be obligated to accept such attornment; and

(ii) a list of Hazardous Materials, certified by the proposed assignee or sublessee to be true and correct, which the proposed assignee or sublessee intends to use, store, handle, treat, generate in or release or dispose of from the Premises, together with copies of all documents relating to such use, storage, handling, treatment, generation, release or disposal of Hazardous Materials by the proposed assignee or subtenant in the Premises or on the Project, prior to the proposed assignment or subletting, including, without limitation: permits; approvals; reports and correspondence; storage and management plans; plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given its written consent to do so, which consent may be withheld in Landlord’s sole and absolute discretion); and all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks.
Neither Tenant nor any such proposed assignee or subtenant is required, however, to provide Landlord with any portion(s) of the such documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities.

(d) **No Release of Tenant, Sharing of Excess Rents.** Notwithstanding any assignment or subletting, Tenant and any guarantor or surety of Tenant’s obligations under this Lease shall at all times remain fully and primarily responsible and liable for the payment of Rent and for compliance with all of Tenant’s other obligations under this Lease. If the Rent due and payable by a sublessee or assignee (or a combination of the rental payable under such sublease or assignment plus any bonus or other consideration therefor or incident thereto in any form) exceeds the sum of the rental payable under this Lease, which shall be prorated for a sublease of less than all of the Premises (excluding however, any Rent payable under this Section) and actual and reasonable brokerage fees, free rent included as an inducement, legal costs and any design or construction fees directly related to and required pursuant to the terms of any such sublease or any reasonable services fees payable by subtenant to Tenant for the costs to Tenant to provide typical office services such as coffee machines, telephones and fax machines) (“Excess Rent”), then Tenant shall be bound and obligated to pay Landlord as Additional Rent hereunder 50% of such Excess Rent within 10 days following receipt thereof by Tenant. If Tenant shall sublet the Premises or any part thereof, Tenant hereby immediately and irrevocably assigns to Landlord, as security for Tenant’s obligations under this Lease, all rent from any such subletting, and Landlord as assignee and as attorney-in-fact for Tenant, or a receiver for Tenant appointed on Landlord’s application, may collect such rent and apply it toward Tenant’s obligations under this Lease; except that, until the occurrence of a Default, Tenant shall have the right to collect such rent.

(e) **No Waiver.** The consent by Landlord to an assignment or subletting shall not relieve Tenant or any assignees of this Lease or any sublessees of the Premises from obtaining the consent of Landlord to any further assignment or subletting nor shall it release Tenant or any assignee or sublessee of Tenant from full and primary liability under the Lease. The acceptance of Rent hereunder, or the acceptance of performance of any other term, covenant, or condition thereof, from any other person or entity shall not be deemed to be a waiver of any of the provisions of this Lease or a consent to any subletting, assignment or other transfer of the Premises.

(f) **Prior Conduct of Proposed Transferee.** Notwithstanding any other provision of this Section 18, if (i) the proposed assignee or sublessee of Tenant has been required by any prior landlord, lender or Governmental Authority to take any material remedial action in connection with Hazardous Materials contaminating a property, where the contamination resulted from such party’s action or use of the property in question, (ii) the proposed assignee or sublessee is subject to an enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority), or (iii) because of the existence of a pre-existing environmental condition in the vicinity of or underlying the Project, the risk that Landlord would be targeted as a responsible party in connection with the remediation of such pre-existing environmental condition would be materially increased or exacerbated by the proposed use of Hazardous Materials by such proposed assignee or sublessee, Landlord shall have the absolute right to refuse to consent to any assignment or subletting to any such party.

19. **Estoppel Certificate.** Tenant shall, within 10 business days of written notice from Landlord, execute, acknowledge and deliver an estoppel certificate on any form reasonably requested by a proposed lender or purchaser.

20. **Quiet Enjoyment.** So long as Tenant shall perform all of the covenants and agreements herein required to be performed by Tenant prior to the expiration of any applicable cure periods, Tenant shall, subject to the terms of this Lease, at all times during the Term, have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Landlord.

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21. Prorations. All prorations required or permitted to be made hereunder shall be made on the basis of a 360-day year and 30-day months.

22. Rules and Regulations. Tenant shall, at all times during the Term and any extension thereof, comply with all reasonable rules and regulations at any time or from time to time established by Landlord covering use of the Premises and the Project. The current rules and regulations are attached hereto as Exhibit H. If there is any conflict between said rules and regulations and other provisions of this Lease, the terms and provisions of this Lease shall control. Landlord shall not have any liability or obligation for the breach of any rules or regulations by other tenants in the Project and shall not enforce such rules and regulations in a discriminatory manner.

23. Subordination. This Lease and Tenant’s interest and rights hereunder are and shall be subject and subordinate at all times to the lien of any Mortgage now existing or hereafter created on or against the Project or the Premises, and all amendments, restatements, renewals, modifications, consolidations, refinancing, assignments and extensions thereof, without the necessity of any further instrument or act on the part of Tenant. Tenant agrees, at the election of the Holder of any such Mortgage, to attorn to any such Holder. Tenant agrees within 10 business days after demand to execute, acknowledge and deliver such commercially reasonable standard form instruments confirming such subordination and/or attornment as shall be requested by any such Holder, which instrument shall provide that such Holder will recognize and not disturb Tenant’s right of possession pursuant to this Lease provided that Tenant is not in Default under this Lease, and if such instrument is required to be signed prior to the Commencement Date, such instrument shall make provision for completion of Landlord’s Work (as defined in the Work Letter) in the event of a foreclosure or the delivery of a deed in lieu of foreclosure to such Holder prior to the Commencement Date. Upon request of Tenant, Landlord shall use commercially reasonable efforts to obtain from any future Holder of a Mortgage on the Project, if any, an agreement that such Holder will recognize and not disturb Tenant’s right of possession pursuant to this Lease provided that Tenant is not in Default under this Lease, which agreement may also contain provisions for subordination, attornment and other terms and conditions of Holder. The term “Mortgage” whenever used in this Lease shall be deemed to include deeds of trust, security assignments, ground leases or other superior leases and any other encumbrances, and any reference to the “Holder” of a Mortgage shall be deemed to include the beneficiary under a deed of trust. Landlord represents that the Project is currently not encumbered by a Mortgage as of the date of this Lease.

24. Surrender. Upon the expiration of the Term or earlier termination of Tenant’s right of possession, Tenant shall surrender the Premises to Landlord in the same condition as received, subject to any Alterations or Installations permitted by Landlord or required to remain in the Premises in accordance with Section 10. free of Hazardous Materials brought upon, kept, used, stored, handled, treated, generated in, or released or disposed of from, the Premises and for which Tenant is responsible pursuant to Section 26 below (collectively, “Tenant HazMat Operations”) and released of all Hazardous Materials Clearances, broom clean, ordinary wear and tear and casualty loss and condemnation covered by Section 15 excepted. At least 2 months prior to the surrender of the Premises, Tenant shall deliver to Landlord a narrative description of the actions proposed (or required by any Governmental Authority) to be taken by Tenant in order to surrender the Premises at the expiration or earlier termination of the Term, free from any residual impact from the Tenant HazMat Operations and otherwise released for unrestricted use and occupancy (the “Surrender Plan”). Such Surrender Plan shall be accompanied by a listing of (i) all Hazardous Materials licenses and permits held by or on behalf of any Tenant Party with respect to the Premises, and (ii) all Hazardous Materials used, stored, handled, treated, generated, released or disposed of from the Premises, and shall be subject to the review and approval of Landlord’s environmental consultant. In connection with the review and approval of the Surrender Plan, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such additional non-proprietary information concerning Tenant HazMat Operations as Landlord shall request. On or before such surrender, Tenant shall deliver to Landlord evidence that the approved Surrender Plan shall have been satisfactorily completed and Landlord shall have the right, subject to reimbursement at Tenant’s expense as set forth below, to cause Landlord’s environmental consultant to inspect the Premises and perform such additional procedures as may be deemed reasonably necessary to confirm that the Premises are, as of the effective date of such surrender or early termination of the Lease, free from any residual impact.
from Tenant HazMat Operations. Tenant shall reimburse Landlord, as Additional Rent, for the actual out-of-pocket expense incurred by Landlord for Landlord’s environmental consultant to review and approve the Surrender Plan and to visit the Premises and verify satisfactory completion of the same, which cost shall not exceed $1,500. Landlord shall have the unrestricted right to deliver such Surrender Plan and any report by Landlord’s environmental consultant with respect to the surrender of the Premises to third parties.

If Tenant shall fail to prepare or submit a Surrender Plan approved by Landlord, or if Tenant shall fail to complete the approved Surrender Plan, or if such Surrender Plan, whether or not approved by Landlord, shall fail to adequately address any residual effect of Tenant HazMat Operations in, on or about the Premises, Landlord shall have the right to take such actions as Landlord may deem reasonable or appropriate to assure that the Premises and the Project are surrendered free from any residual impact from Tenant HazMat Operations, the cost of which actions shall be reimbursed by Tenant as Additional Rent, without regard to the limitation set forth in the first paragraph of this Section 24.

Tenant shall immediately return to Landlord all keys and/or access cards to parking, the Project, restrooms or all or any portion of the Premises furnished to or otherwise procured by Tenant. If any such access card or key is lost, Tenant shall pay to Landlord, at Landlord’s election, either the cost of replacing such lost access card or key or the cost of reprogramming the access security system in which such access card was used or changing the lock or locks opened by such lost key. Any Tenant’s Property, Alterations and property not so removed by Tenant as permitted or required herein shall be deemed abandoned and may be stored, removed, and disposed of by Landlord at Tenant’s expense for such property required to be removed by Tenant pursuant to this Lease and at Landlord’s expense for such property not required to be removed by Tenant pursuant to this Lease, and Tenant waives all claims against Landlord for any damages resulting from Landlord’s retention and/or disposition of such property. All obligations of Tenant hereunder not fully performed as of the termination of the Term, including the obligations of Tenant under Section 26 hereof, shall survive the expiration or earlier termination of the Term, including, without limitation, indemnity obligations, payment obligations with respect to Rent and obligations concerning the condition and repair of the Premises.

25. **Waiver of Jury Trial.** TENANT AND LANDLORD WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN LANDLORD AND TENANT ARISING OUT OF THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO.

26. **Environmental Requirements.**

(a) **Prohibition/Compliance/Indemnity.** Tenant shall not cause or permit any Hazardous Materials (as hereinafter defined) to be brought upon, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises, Shared Science Facility or any other part of the Project in violation of applicable Environmental Requirements (as hereinafter defined) by Tenant or any Tenant Party. If Tenant breaches the obligation stated in the preceding sentence, or if the presence of Hazardous Materials in the Premises during the Term or any holding over results in contamination of the Premises, the Project or any adjacent property or if contamination of the Premises, the Project or any adjacent property by Hazardous Materials brought into, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises or Shared Science Facility by anyone other than Landlord or any Landlord Party otherwise occurs during the Term or any holding over, Tenant hereby indemnifies and shall defend and hold Landlord and each of the Landlord Parties harmless from any and all actions (including, without limitation, remedial or enforcement actions of any kind, administrative or judicial proceedings, and orders or judgments arising out of or resulting therefrom), costs, claims, damages (including, without limitation, punitive damages and damages based upon diminution in value of the Premises or the Project, or the loss of, or restriction on, use of the Premises or any portion of the Project), expenses (including, without limitation, reasonable attorneys’, consultants’ and experts’ fees, court costs and amounts paid in settlement of any claims or actions), fines, forfeitures or other civil, administrative or criminal penalties, injunctive or other relief (whether or not based upon personal injury,
property damage, or contamination of, or adverse effects upon, the environment, water tables or natural resources), liabilities or losses (collectively,
“Environmental Claims”) which arise during or after the Term as a result of such breach by Tenant of its obligations stated in the preceding sentence or as a
result of such contamination. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of
site conditions or any cleanup, treatment, remedial, removal, or restoration work required by any federal, state or local Governmental Authority because of
Hazardous Materials present in the air, soil or ground water above, on, or under the Premises and for which Tenant is responsible pursuant to this Section 26.
Without limiting the foregoing, if the presence of any Hazardous Materials on the Premises, the Shared Science Facility, the Project or any adjacent property
caused or permitted by Tenant or any Tenant Party results in any contamination of the Premises, the Shared Science Facility, the Project or any adjacent property,
Tenant shall promptly take all actions at its sole expense and in accordance with applicable Environmental Requirements as are necessary to return
the Premises, the Shared Science Facility, the Project or any adjacent property to the condition existing prior to the time of such contamination, provided that
Landlord’s approval of such action shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially
have any material adverse long-term or short-term effect on the Premises, the Shared Science Facility or the Project. Notwithstanding anything to the contrary
contained in this Section 26(a), Tenant shall not be responsible for the clean up or remediation of, and the indemnification and hold harmless obligation set
forth in this paragraph shall not apply to, (i) contamination in the Premises that Tenant can demonstrate to Landlord’s reasonable satisfaction was present in the
Premises prior to the date of this Lease, or (ii) contamination in the Shared Science Facility, Shared Conference Facility or on the Project that was not
caused by an act or omission of Tenant; except in any case to the extent Tenant and/or any of the Tenant Parties have exacerbated or contributed to such
contamination, and provided that it is understood that Tenant shall have the burden of proof with respect to whether such contamination was present in the
Premises prior to the date of this Lease.

(b) Business. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to
deliver to Landlord prior to the Commencement Date a list identifying each type of Hazardous Materials to be brought upon, kept, used, stored, handled,
treated, generated on, or released or disposed of from, the Premises and setting forth any and all governmental approvals or permits required in connection
with the presence, use, storage, handling, treatment, generation, release or disposal of such Hazardous Materials on or from the Premises (“Hazardous
Materials List”). Tenant shall deliver to Landlord true and correct copies of the following documents (the “Haz Mat Documents”) relating to the use,
storage, handling, treatment, generation, release or disposal of Hazardous Materials prior to the Commencement Date (or if unavailable at that time,
concurrent with the receipt from or submission to a Governmental Authority): permits; approvals; reports and correspondence; storage and management
plans; and notices of violations of any Legal Requirements. Tenant hereby represents and warrants to Landlord that (i) neither Tenant nor any principal
thereof has been required by any prior landlord or governmental authority to take remedial action in connection with Hazardous Materials contaminating a
property, where the contamination resulted from such party’s action or use of the property in question; and (ii) neither Tenant nor any principal thereof is
subject to an enforcement order issued by any governmental authority in connection with the use, storage, handling, treatment, generation, release or disposal
of Hazardous Materials. If Landlord determines that this representation and warranty was not true as of the date of this lease, Landlord shall have the right to
terminate this Lease in Landlord’s sole and absolute discretion. Tenant shall be permitted, however, to redact any portions(s) of the Haz Mat Documents
containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities.

(c) Landlord’s Tests. Landlord shall have access to, and a right to perform inspections and tests of, the Premises and the Shared Science Facility to
determine Tenant’s compliance with Environmental Requirements, its obligations under this Section 26, or the environmental condition of the Premises, the
Shared Science Facility or the Project. In connection with such testing, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such
non-proprietary information concerning the use of Hazardous Materials in or about the Premises and Shared Science Facility by Tenant or any Tenant Party.
Access to the Premises shall be granted to Landlord upon Landlord’s reasonable prior

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notice to Tenant and at such times so as to minimize, so far as may be reasonable under the circumstances, any disturbance to Tenant’s operations. Such inspections and tests shall be conducted at Landlord’s expense, unless such inspections or tests reveal that Tenant has not complied with any Environmental Requirement, in which case Tenant shall reimburse Landlord for the reasonable cost of such inspection and tests. Tenant shall, at its sole cost and expense, promptly and satisfactorily remediate any environmental conditions for which Tenant is responsible pursuant to this Section 26 and that are identified by such testing in accordance with all Environmental Requirements. Landlord’s receipt of or satisfaction with any environmental assessment in no way waives any rights that Landlord may have against Tenant.

(d) Tenant’s Obligations. Tenant’s obligations under this Section 26 shall survive the expiration or earlier termination of the Lease. During any period of time after the expiration or earlier termination of this Lease required by Tenant or Landlord to complete the removal from the Premises of any Hazardous Materials for which Tenant is responsible under this Lease (including, without limitation, the release and termination of any licenses or permits restricting the use of the Premises and the completion of the approved Surrender Plan), Tenant shall continue to pay the full Rent in accordance with this Lease for any portion of the Premises during any period of time that such portion of the Premises cannot reasonably be expected to be occupied by a third party, which Rent shall be prorated daily.

(e) Definitions. As used herein, the term “Environmental Requirements” means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any Governmental Authority regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the Project, or the environment, including without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder. As used herein, the term “Hazardous Materials” means and includes any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, or regulated by reason of its impact or potential impact on humans, animals and/or the environment under any Environmental Requirements, asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). As defined in Environmental Requirements, Tenant is and shall be deemed to be the “operator” of Tenant’s “facility” and the “owner” of all Hazardous Materials brought on the Premises by Tenant or any Tenant Party, and the wastes, by-products, or residues generated, resulting, or produced therefrom.

(f) Asbestos.

(i) Notification of Asbestos. Landlord hereby notifies Tenant of the presence of asbestos-containing materials (“ACMs”) and/or presumed asbestos-containing materials (“PACMs”) within or about the Premises in the locations identified in Exhibit J attached hereto.

(ii) Tenant Acknowledgement. Tenant hereby acknowledges receipt of the notification in paragraph (i) of this Section 26 and understand that the purpose of such notification is to make Tenant, and any agents, employees, and contractors of Tenant, aware of the presence of ACMs and/or PACMs within or about the Building in order to avoid or minimize any damage to or disturbance of such ACMs and/or PACMs.

/s/ GB Tenant’s Initials

(iii) Acknowledgement from Contractors/Employees. Tenant shall give Landlord at least 14 days’ prior written notice before conducting, authorizing or permitting any of the activities listed below within or about the Premises, and before soliciting bids from any person to perform such services. Such notice shall identify or describe the proposed scope, location, date and time of such activities and the name, address and telephone number of each person who may be conducting such activities.

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Thereafter, Tenant shall grant Landlord reasonable access to the Premises to determine whether any ACMs or PACMs will be disturbed in connection with such activities. Tenant shall not solicit bids from any person for the performance of such activities without Landlord’s prior written approval (such approval not to be unreasonably withheld). Upon Landlord’s request, Tenant shall deliver to Landlord a copy of a signed acknowledgement from any contractor, agent, or employee of Tenant acknowledging receipt of information describing the presence of ACMs and/or PACMs within or about the Premises in the locations identified in Exhibit J prior to the commencement of such activities. Nothing in this Section 26 shall be deemed to expand Tenant’s rights under the Lease or otherwise to conduct, authorize or permit any such activities.

(I) Removal of any thermal system insulation (“TSI”) and surfacing ACMs and PACMs (i.e., sprayed-on or troweled-on material, e.g., textured ceiling paint or fireproofing material);

(II) Removal of any ACMs or PACMs that are not TSI or surfacing ACMs or PACMs; or

(III) Repair and maintenance of operations that are likely to disturb any ACMs or PACMs.

27. Tenant’s Remedies/Limitation of Liability. Landlord shall not be in default hereunder unless Landlord fails to perform any of its obligations hereunder within 30 days after written notice from Tenant specifying such failure (unless such performance will, due to the nature of the obligation, require a period of time in excess of 30 days, then after such period of time as is reasonably necessary), provided, however, that if the nature of Landlord’s obligation arises from an emergency condition and Tenant provides notice to Landlord (which may be telephonic if followed by written notice on the same day describing the emergency condition in reasonable detail, including without limitation the emergency nature of the condition and specifying in all capital letters and boldface type that the condition is an emergency and response is required by Landlord pursuant to the Lease), then Landlord shall respond within a reasonable period after receipt of such notice of the emergency condition. Upon any default by Landlord, Tenant shall give notice by registered or certified mail to any Holder of a Mortgage covering the Premises and to any landlord of any lease of property in or on which the Premises are located and Tenant shall offer such Holder and/or landlord a reasonable opportunity to cure the default, including time to obtain possession of the Project by power of sale or a judicial action if such should prove necessary to effect a cure; provided Landlord shall have furnished to Tenant in writing the names and addresses of all such persons who are to receive such notices. All obligations of Landlord hereunder shall be construed as covenants, not conditions; and, except as may be otherwise expressly provided in this Lease, Tenant may not terminate this Lease for breach of Landlord’s obligations hereunder.

28. Inspection and Access. Subject to the next sentence, Landlord and its agents, representatives, and contractors may enter the Premises at any reasonable time to inspect the Premises and to make such repairs as may be required or permitted pursuant to this Lease, to perform such environmental tests as may be reasonably required to confirm Tenant’s compliance with the terms hereof and for any other business purpose. Landlord and Landlord’s representatives may enter the Premises during business hours on not less than 48 hours advance written notice (except in the case of emergencies in which case no such notice shall be required and such entry may be at any time) for the purpose of effecting any such repairs, inspecting the Premises, showing the Premises to prospective purchasers and, during the last year of the Term, to prospective tenants or for any other business purpose.

29. Security. Tenant acknowledges and agrees that security devices and services, if any, while intended to deter crime may not in given instances prevent theft or other criminal acts and that Landlord is not providing any security services with respect to the Premises, Shared Science Facility, Shared Conference Facility or Common Areas. Tenant agrees that Landlord shall not be liable to Tenant for, and Tenant waives any claim against Landlord with respect to, any loss by theft or any other damage.

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suffered or incurred by Tenant in connection with any unauthorized entry into the Premises, Shared Science Facility, Shared Conference Facility or Common Areas or any other breach of security with respect to the Premises, Shared Science Facility, Shared Conference Facility, Common Areas or other portion of the Project. Tenant shall be solely responsible for the personal safety of Tenant’s officers, employees, agents, contractors, guests and invitees while any such person is in, on or about the Premises and/or the Project. Tenant shall at Tenant’s cost obtain insurance coverage to the extent Tenant desires protection against such criminal acts.

30. No Broker; Entire Agreement; Amendment. Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, “Broker”) in connection with this transaction and that no Broker brought about this transaction, other than Cushman & Wakefield of Massachussets and Richards Barry Joyce & Partners, whose commission shall be paid by Landlord pursuant to a separate agreement. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker, other than the broker, if any named in this Section 30, claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction. This Lease constitutes the entire agreement between Landlord and Tenant pertaining to the lease of the Premises and supersedes all other agreements, whether oral or written, pertaining to the lease of the Premises, and no other agreements with respect thereto shall be effective. Any amendments or modifications of this Lease shall be in writing and signed by both Landlord and Tenant, and any other attempted amendment or modification of this Lease shall be void.

31. Limitation on Landlord’s Liability. NOTWITHSTANDING ANYTHING SET FORTH HEREIN OR IN ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT TO THE CONTRARY: (A) LANDLORD SHALL NOT BE LIABLE TO TENANT OR ANY OTHER PERSON FOR (AND TENANT AND EACH SUCH OTHER PERSON ASSUME ALL RISK OF) LOSS, DAMAGE OR INJURY, WHETHER ACTUAL OR CONSEQUENTIAL TO: TENANT’S PERSONAL PROPERTY OF EVERY KIND AND DESCRIPTION, INCLUDING, WITHOUT LIMITATION TRADE FIXTURES, EQUIPMENT, INVENTORY, SCIENTIFIC RESEARCH, SCIENTIFIC EXPERIMENTS, LABORATORY ANIMALS, PRODUCT, SPECIMENS, SAMPLES, AND/OR SCIENTIFIC, BUSINESS, ACCOUNTING AND OTHER RECORDS OF EVERY KIND AND DESCRIPTION KEPT AT THE PREMISES AND ANY AND ALL INCOME DERIVED OR DERIVABLE THEREFROM; (B) THERE SHALL BE NO PERSONAL RECOURSE TO LANDLORD FOR ANY ACT OR OCCURRENCE IN, ON OR ABOUT THE PREMISES OR ARISING IN ANY WAY UNDER THIS LEASE OR ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT WITH RESPECT TO THE SUBJECT MATTER HEREOF AND ANY LIABILITY OF LANDLORD HEREUNDER SHALL BE STRICTLY LIMITED SOLELY TO LANDLORD’S INTEREST IN THE PROJECT OR ANY PROCEEDS FROM SALE OR CONDEMNATION THEREOF AND ANY INSURANCE PROCEEDS PAYABLE IN RESPECT OF LANDLORD’S INTEREST IN THE PROJECT OR IN CONNECTION WITH ANY SUCH LOSS; AND (C) IN NO EVENT SHALL ANY PERSONAL LIABILITY BE ASSERTED AGAINST LANDLORD OR ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS IN CONNECTION WITH THIS LEASE NOR SHALL ANY RECOURSE BE HAD TO ANY OTHER PROPERTY OR ASSETS OF LANDLORD OR ANY OF LANDLORD’S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS BE LIABLE FOR INJURY TO TENANT’S BUSINESS OR FOR ANY LOSS OF INCOME OR PROFIT THEREFROM.

32. Severability. If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby.

33. Signs; Exterior Appearance. Tenant shall not: (i) attach anything at any time to any outside wall of the Project, (ii) use any window coverings or sunscreen other than Landlord’s standard window coverings, (iii) place any articles on the window sills, (iv) place any items on any exterior balcony, or (v) paint, affix or exhibit any signs or any kind in the Premises which can be viewed from the exterior of the Premises. Interior signs on doors and the directory tablet, in each case in Building standard form, shall be provided by Landlord at Landlord’s sole cost and expense.

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34. Intentionally omitted.

35. Right to Extend Term. Tenant shall have the right to extend the Term of the Lease upon the following terms and conditions:

(a) Extension Right. Tenant shall have one right (the “Extension Right”) to extend the term of this Lease for 3 years (the “Extension Term”) on the same terms and conditions as this Lease (other than Base Rent) by giving Landlord written notice of its election to exercise the Extension Right at least 9 months prior, and no earlier than 12 months prior, to the expiration of the original Term of the Lease. Promptly after receipt of Tenant’s exercise notice, Landlord shall provide Tenant with Landlord’s determination of the Market Rate for the Extension Term.

Upon the commencement of the Extension Term, Base Rent shall be payable at the Market Rate (as defined below). Base Rent shall thereafter be adjusted on each annual anniversary of the commencement of such Extension Term by the Rent Adjustment Percentage as provided in Section 3 above. As used herein, “Market Rate” shall mean the then market rental rate for combined laboratory and office space in East Cambridge of comparable age, quality, level of finish and proximity to amenities and public transit, as adjusted on account of material incentives for initial occupancy such as free rent, brokerage commissions and tenant improvement costs. In addition, Landlord may impose a market rent for the parking rights provided hereunder. The Market Rate shall initially be determined by Landlord and submitted to Tenant for its consideration. If, on or before the date which is 210 days prior to the expiration of the original Term of this Lease, Tenant has not agreed with Landlord’s determination of the Market Rate after negotiating in good faith, Tenant may by written notice to Landlord not later than 180 days prior to the expiration of the original Term of this Lease, elect arbitration as described in Section 35(b) below. If Tenant has not agreed with Landlord’s determination of the Market Rate and does not elect such arbitration prior to the date that is 180 days prior to the expiration of the original Term, Tenant shall be deemed to have waived any right to extend.

(b) Arbitration. Within 10 days of Tenant’s notice to Landlord of its election to arbitrate Market Rate, each party shall deliver to the other a proposal containing the Market Rate that the submitting party believes to be correct (“Extension Proposal”). If either party fails to timely submit an Extension Proposal, the other party’s submitted proposal shall determine the Market Rate for the Extension Term. If both parties submit Extension Proposals, then Landlord and Tenant shall meet within 7 days after delivery of the last Extension Proposal and make a good faith attempt to mutually appoint a single Arbitrator (and defined below) to determine the Market Rate. If Landlord and Tenant are unable to agree upon a single Arbitrator, then each shall, by written notice delivered to the other within 10 days after the meeting, select an Arbitrator. If either party fails to timely give notice of its selection for an Arbitrator, the other party’s submitted proposal shall determine the Base Rent for the Extension Term. The 2 Arbitrators so appointed shall, within 5 business days after their appointment, appoint a third Arbitrator. If the 2 Arbitrators so selected cannot agree on the selection of the third Arbitrator within the time above specified, then either party, on behalf of both parties, may request such appointment of such third Arbitrator by application to any state court of general jurisdiction in the jurisdiction in which the Premises are located, upon 10 days prior written notice to the other party of such intent.

The decision of the Arbitrator(s) shall be made within 30 days after the appointment of a single Arbitrator or the third Arbitrator, as applicable. The decision of the single Arbitrator shall be final and binding upon the parties. The average of the two closest Arbitrators in a three Arbitrator panel shall be final and binding upon the parties. Each party shall pay the fees and expenses of the Arbitrator appointed by or on behalf of such party and the fees and expenses of the third Arbitrator shall be borne equally by both parties. If the Market Rate is not determined by the first day of the Extension Term, then Tenant shall pay Landlord Base Rent in an amount equal to the Base Rent in effect immediately prior to the Extension Term and increased by the Rent Adjustment Percentage until such determination is made. After the determination of the Market Rate, the parties shall make any necessary adjustments to such payments made by Tenant. Landlord and Tenant shall then execute an amendment recognizing the Market Rate and escalations for the Extension Term.

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An “Arbitrator” shall be any person appointed by or on behalf of either party or appointed pursuant to the provisions hereof and: (i) shall be (A) a member of the American Institute of Real Estate Appraisers with not less than 10 years of experience in the appraisal of improved office and high tech or life sciences space in the greater Boston metropolitan area, or (B) a licensed commercial real estate broker with not less than 15 years experience representing landlords and/or tenants in the leasing of improved office and high tech or life sciences space in the greater Boston metropolitan area, (ii) devoting substantially all of their time to professional appraisal or brokerage work, as applicable, at the time of appointment and (iii) be in all respects impartial and disinterested.

(c) Rights Personal. The Extension Right is personal to Tenant (and successors pursuant to a Permitted Assignment) and not assignable without Landlord’s consent, which may be granted or withheld in Landlord’s sole discretion separate and apart from any consent by Landlord to an assignment of Tenant’s interest in the Lease.

(d) Exceptions. Notwithstanding anything set forth above to the contrary, the Extension Right shall not be in effect and Tenant may not exercise the Extension Right:

   (i) during any period of time that Tenant is in Default under any provision of this Lease; or

   (ii) if Tenant has been in Default under any provision of this Lease 3 or more times beyond the applicable cure period during the 12 month period immediately prior to the date that Tenant intends to exercise the Extension Right.

   (iii) if Tenant (including any successor pursuant to one or more Permitted Assignment(s)) is not in occupancy of at least 50% of the entire Premises demised hereunder both at the time of the exercise of the Extension Right and at the time of the commencement date of the Extension Term.

(e) No Extensions. The period of time within which the Extension Right may be exercised shall not be extended or enlarged by reason of Tenant’s inability to exercise the Extension Right.

(f) Termination. The Extension Right shall terminate and be of no further force or effect even after Tenant’s due and timely exercise of the Extension Right, if, after such exercise, but prior to the commencement date of the Extension Term, (i) Tenant fails to timely cure any default by Tenant under this Lease within the applicable cure period; or (ii) Tenant has Defaulted 3 or more times during the period from the date of the exercise of the Extension Right to the date of the commencement of the Extension Term, whether or not such Defaults are cured.

36. Miscellaneous.

(a) Notices. Except as otherwise provided herein, all notices or other communications between the parties shall be in writing and shall be deemed duly given upon delivery or refusal to accept delivery by the addressee thereof if delivered in person, or upon delivery if delivered by reputable overnight guaranty courier or certified mail return receipt requested, addressed and sent to the parties at their addresses set forth above. Landlord and Tenant may from time to time by written notice to the other designate another address for receipt of future notices.

(b) Recordation. Neither this Lease nor a memorandum of lease shall be filed by or on behalf of Tenant in any public record. Landlord may prepare and file, at its own cost and expense, and upon request by Landlord Tenant will execute, a memorandum of lease.
(c) **Interpretation.** The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any exhibits or amendments hereto. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.

(d) **Not Binding Until Executed.** The submission by Landlord to Tenant of this Lease shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution of this Lease by both parties.

(e) **Limitations on Interest.** It is expressly the intent of Landlord and Tenant at all times to comply with applicable law governing the maximum rate or amount of any interest payable on or in connection with this Lease. If applicable law is ever judicially interpreted so as to render usurious any interest called for under this Lease, or contracted for, charged, taken, reserved, or received with respect to this Lease, then it is Landlord’s and Tenant’s express intent that all excess amounts theretofore collected by Landlord be credited on the applicable obligation (or, if the obligation has been or would thereby be paid in full, refunded to Tenant), and the provisions of this Lease immediately shall be deemed reformed and the amounts thereafter collectible hereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

(f) **Choice of Law.** Construction and interpretation of this Lease shall be governed by the internal laws of the state in which the Premises are located, excluding any principles of conflicts of laws.

(g) **Time.** Time is of the essence as to the performance of Tenant’s obligations under this Lease.

(h) **Force Majeure.** Landlord shall not responsible or liable for delays in the performance of its obligations hereunder when caused by, related to, or arising out of acts of God, strikes, lockouts, or other labor disputes, embargoes, quarantines, national, regional, or local disasters, calamities, or catastrophes, inability to obtain labor or materials (or reasonable substitutes therefor) at reasonable costs due to a disruption in supply or lack of availability, or failure of, or inability to obtain, utilities necessary for performance, governmental restrictions, orders, limitations, regulations, or controls, national emergencies, delay in issuance or revocation of permits to the extent such delay or revocation is beyond Landlord reasonable control, enemy or hostile governmental action, terrorism, insurrection, riots, civil disturbance or commotion, fire or other casualty, and other causes or events beyond the reasonable control of Landlord (individually or collectively, “**Force Majeure**”), it being understood that Force Majeure shall not include financial difficulties of Landlord, if any.

(i) **Financial Information.** Tenant shall furnish Landlord with true and complete copies of (i) Tenant’s most recent audited annual financial statements within 150 days of the end of each of Tenant’s fiscal years during the Term, (ii) Tenant’s most recent unaudited quarterly financial statements within 60 days of the end of each of Tenant’s first three fiscal quarters of each of Tenant’s fiscal years during the Term, (iii) corporate brochures and/or profiles prepared by Tenant for prospective investors, and (iv) any other financial information or summaries that Tenant typically provides to its lenders or shareholders.

Landlord agrees to hold the financial statements and other financial information provided under this paragraph in confidence using at least the same degree of care that Landlord uses to protect its own confidential information of a similar nature; provided, however, that Landlord may disclose such information to Landlord’s auditors, attorneys, consultants, lenders, affiliates, prospective purchasers and investors and other third parties as reasonably required in the ordinary course of Landlord’s operations, provided that Landlord shall require such parties to treat the information as confidential. The obligations of confidentiality hereunder shall not apply to information that was in the public domain at the time it was disclosed to Landlord, entered the public domain subsequent to the time it was disclosed to Landlord, through no fault of Landlord, or was disclosed by Tenant to a third party without any confidentiality.

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restrictions. In addition, Landlord may disclose such information without violating this Section to the extent that disclosure is reasonably necessary (a) for Landlord to enforce its rights or defend itself under this Lease; (b) for required submissions to any state or federal regulatory body; or (c) for compliance with a valid order of a court or other governmental body having jurisdiction, or any law, statute, or regulation provided that, other than in an emergency, before disclosing such information Landlord shall give Tenant 5 business days prior notice of the same to allow Tenant to obtain a protective order or such other judicial relief.

(j) **OFAC.** Tenant, and to the best of Tenant’s actual knowledge, all beneficial owners of Tenant, are currently (a) in compliance with, and shall at all times during the Term of this Lease remain in compliance with, the regulations of the Office of Foreign Assets Control (“OFAC”) of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the “OFAC Rules”), (b) not listed on, and shall not during the Term of this Lease be listed on, the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.

(k) **Incorporation by Reference.** All exhibits and addenda attached hereto are hereby incorporated into this Lease and made a part hereof. If there is any conflict between such exhibits or addenda and the terms of this Lease, such exhibits or addenda shall control, except in the case of a conflict between the terms of the Lease and the Rules and Regulations in **Exhibit I.** In the event of any conflict between the terms of the Lease and the Rules and Regulations In **Exhibit I,** the Lease shall control.

(l) **No Accord and Satisfaction.** No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Base Rent or any Additional Rent will be other than on account of the earliest stipulated Base Rent and Additional Rent, nor will any endorsement or statement on any check or letter accompanying a check for payment of any Base Rent or Additional Rent be an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord’s right to recover the balance of such Rent or to pursue any other remedy provided in this Lease.

(m) **Hazardous Activities.** Notwithstanding any other provision of this Lease, Landlord, for itself and its employees, agents and contractors, reserves the right to refuse to perform any repairs or services in any portion of the Premises which, pursuant to Tenant’s routine safety guidelines, practices or prudent industry practices, require any form of protective clothing or equipment other than safety glasses. In any such case, Tenant shall contract with parties who are acceptable to Landlord, in Landlord’s reasonable discretion, for all such repairs and services; and Landlord shall, to the extent required, equitably adjust Tenant’s Share of Operating Expenses in respect of such repairs or services to reflect that Landlord is not providing such repairs or services to Tenant.

[remainder of page intentionally left blank; Lease Agreement continues on next page]

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

TENANT:

CONSTELLATION PHARMACEUTICALS, INC,
a Delaware corporation

By: /s/ Garen Bohlin
Name: Garen Bohlin
Title: Executive Vice President

LANDLORD:

ARE-MA REGION NO. 38, LLC,
a Delaware limited liability corporation

By: Alexandria Real Estate Equities, L.P.,
a Delaware limited partnership, member

By: ARE-QRS Corp., a Maryland corporation, general partner

By: /s/ Jackie Clem
Name: Jackie Clem
Title: VP Real Estate Legal Affairs

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EXHIBIT A TO LEASE

DESCRIPTION OR PLAN OF PREMISES

(page 1 of 2)
EXHIBIT A TO LEASE
DESCRIPTION OR PLAN OF PREMISES

(page 2 of 2)
EXHIBIT B TO LEASE

DESCRIPTION OR PLAN OF SHARED SCIENCE FACILITY

Exhibit B to Lease
Description or Plan of Shared Science Facility - Basement

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EXHIBIT D TO LEASE

DESCRIPTION OF PROJECT

A certain parcel of land with the buildings thereon, in Cambridge, Middlesex County, Massachusetts, known as and numbered 215 First Street, and bounded and described as follows:

Beginning at the northwest corner of Athenaeum Street and First Street, said point being the southeasterly corner of the parcel;
Thence running N 80 degrees 12'27" W, a distance of 399.30 feet along the northerly line of said Athenaeum Street;
Thence turning and running N 09 degrees 43'10" E, a distance of 200.00 feet along the easterly line of Second Street;
Thence turning and running S 80 degrees 12'27" E, a distance of 399.41 feet along the southerly line of Munroe Street;
Thence turning and running S 09 degrees 45'06" W, a distance of 200.00 feet along the westerly line of First Street to the point of beginning.

The above described parcel contains 79,871 square feet, more or less.

Together with the benefit of the Grant of Easement and Agreement dated December 9, 2004 and recorded with the Middlesex South District Registry of Deeds in Book 443363, Page 65, and the rights of Landlord to other parking lots which may from time to time be made available to serve the above-described parcel.

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EXHIBIT E TO LEASE

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this “Agreement”), dated as of ___, 2010, is made and entered into by and between ARE-MA REGION NO. 38, LLC, a Delaware limited liability company (“Licensor”), and CONSTELLATION PHARMACEUTICALS, INC., a Delaware corporation (“Licensee”), with reference to the following Recitals:

RECITALS

A. Licensor is the owner of that certain property commonly known as 215 First Street, Cambridge, Massachusetts (the “Property”).

B. Concurrently herewith, Licensee and Licensor are entering into that certain Lease Agreement (the “Lease”) for certain space located at the Property and more particularly described therein (the “Premises”). All initially capitalized terms used herein but not otherwise defined shall have the respective meanings ascribed thereto in the Lease.

C. Licensee desires to have, and Licensor desires to grant to Licensee, certain rights to access and use the acid neutralization system serving the Shared Science Facility in the Building and to access and use a certain area of the Property described as the “Shared Conference Facility” on Exhibit 2 attached hereto, all in accordance with the terms and provisions set forth below.

AGREEMENT

For and in consideration of the covenants and premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. License; Scheduling and Fees for Shared Conference Facility

   (a) License. Licensor hereby grants Licensee, and Licensee hereby accepts, a nonexclusive license to use the acid neutralization system serving the Shared Science Facility and to access those portions of the Shared Science Facility as are necessary for the use of such acid neutralization system, and to use the Shared Conference Facility, in all cases subject to the terms and provisions of this Agreement. If Licensee desired to use any facilities in the Shared Science Facility other than the acid neutralization system serving the Shared Science Facility, Licensee shall request Landlord to amend this Agreement and the Lease to permit such use.

   (b) Scheduling and Fees for Shared Conference Facility. Use by Licensee of the Shared Conference Facility shall be in common with others entitled to use the Shared Conference Facility in accordance with scheduling procedures reasonably determined by Licensor. Licensor shall use commercially reasonable efforts to schedule users on a first-come, first-served basis, but Licensor reserves the right to exercise its discretion in the event of conflicting scheduling requests among users. Use of the Shared Conference Facility by Licensee for up to one-half day in each week shall be at no charge for such use, and thereafter Licensee shall pay the hourly charges established by Licensor from time to time for use of the Shared Conference Facility. The current hourly charge for the use of the Shared Conference Facility as of the date of this Lease is $200 per hour and is subject to change as determined by Licensor from time to time. Payment of such hourly charges shall be made within 10 days of invoice therefor, and Licensor reserves the right to require an advance deposit from time to time.
2. **Use.** Licensee shall exercise its limited rights hereunder in compliance with all laws, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Property, Shared Science Facility or Shared Conference Facility and the use and occupancy thereof, including the rules and regulations attached as Exhibit 3 hereto, as the same may be revised by Licensor from time to time.

3. **Term.** The term of this Agreement shall commence on the Commencement Date set forth in the Lease (the “Commencement Date”) and continue until the earlier to occur of (a) the last day on which Licensee is entitled to occupy the Premises pursuant to the terms of the Lease, (b) the date this Agreement is sooner terminated pursuant to its terms, and (c) the date the Lease is sooner terminated pursuant to its terms. The period between the Commencement Date and the date of termination of this Agreement shall be the “Term.”

4. **Relocation and Modification of Shared Science Facility or Shared Conference Facility.** Licensor shall have the right at any time to reconfigure, relocate or modify the Shared Science Facility and/or Shared Conference Facility from time to time and to revise or expand any of the services (if any) provided therein; provided, however, that such reconfiguration, relocation or modification of the respective facility or any revision or expansion of services shall not materially adversely affect Tenant’s use of such facility or service as permitted pursuant to this Agreement.

5. **Interference.** Licensee shall use the acid neutralization system serving the Shared Science Facility and Shared Conference Facility in a manner that will not interfere with the rights of any tenants, other licensees or Licensor’s service providers. Licensor shall similarly require such noninterference in license agreements with other users of the Shared Science Facility, but Licensor assumes no responsibility for enforcing Licensee’s rights or for protecting the Shared Science Facility or its acid neutralization system or the Shared Conference Facility from interference or use from any person, including, without limitation, tenants or other licensees of the Property.

6. **Default by Licensee.**

   (a) It is mutually agreed that Licensee shall be in default hereunder (“Default”),

   (i) if Licensee fails to comply with any of the terms or provisions of this Agreement, and fails to cure such default within 30 days after the date of delivery of written notice of default from Licensor, provided that if the nature of such default is such that it cannot be cured by the payment of money and reasonably requires more than 30 days to cure, then Licensee shall not be deemed to be in Default under this License if Licensee commences such cure within 30 days of the aforesaid notice from Licensor and thereafter diligently prosecutes such cure to completion within 90 days of the aforesaid notice from Licensor; or

   (ii) with respect to the Shared Conference Facility, if Licensee fails to pay any fees or charges for use of the Shared Conference Facility or other amounts required hereunder when due pursuant to this Agreement; provided, however, that Licensor will give Licensee notice and an opportunity to cure any failure to pay such fees or charges within 3 business days of any such notice not more than once in any 12 month period and Licensee agrees that such notice shall be in lieu of and not in addition to, or shall be deemed to be, any notice required by law or

   (iii) during the occurrence and continuation of any Default (as defined in the Lease) under the Lease.

   (b) Any Default by Licensee hereunder shall constitute a Default under the Lease, as to which Licensor as Landlord thereunder shall have all rights and remedies set forth in the Lease, it being expressly agreed that Licensor shall only have the right to terminate this License simultaneous with a termination of the Lease.

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7. Indemnification and Limitation of Liability.

(a) Licensor’s sole obligation for providing standby generators or any other standby power equipment, other equipment, systems, furnishings or personal property to the Shared Science Facility or Shared Conference Facility, whether or not affixed to the Building (collectively, “Equipment”) shall be (i) to provide such Equipment as is determined by Licensor in its sole and absolute discretion, and (ii) to contract with a third party (determined by Licensor to be qualified) to maintain the Equipment that is deemed by Licensor (in its reasonable professional discretion) to need periodic maintenance per the manufacturer’s standard maintenance guidelines. Licensor shall have no obligation to provide Licensee with operational Equipment, back-up Equipment or back-up utilities or to supervise, oversee or confirm that the third party maintaining the Equipment is maintaining the Equipment as per the manufacturer’s standard guidelines or otherwise. During any period of replacement, repair or maintenance of the Equipment when such Equipment is not operational, including any delays thereto due to the inability to obtain parts or replacements, Licensor shall have no obligation to provide Licensee with alternative or back-up Equipment or alternative sources of utilities. Licensee expressly acknowledges and agrees that Licensor does not guaranty that the Equipment will be operational at all times, will function or perform adequately, or that emergency power will be available to the Premises when needed, and Licensor shall not be liable for any damages resulting from the failure of such Equipment. Licensee hereby releases Licensor from and against any and all claims arising directly or indirectly out of or relating to the Equipment, or the existence, use or failure thereof, unless caused solely by the willful misconduct or gross negligence of Licensor. The terms and provisions of this Section 7(a) shall survive the expiration or earlier termination of this Agreement.

(b) NOTWITHSTANDING ANYTHING SET FORTH HEREIN OR IN ANY OTHER AGREEMENT BETWEEN LICENSOR AND LICENSEE TO THE CONTRARY: (i) LICENSOR SHALL NOT BE LIABLE TO LICENSEE OR ANY OTHER PERSON FOR (AND LICENSEE AND EACH SUCH OTHER PERSON ASSUME ALL RISK OF) LOSS, DAMAGE OR INJURY, WHETHER ACTUAL OR CONSEQUENTIAL TO PERSONAL PROPERTY OF EVERY KIND AND DESCRIPTION, INCLUDING, WITHOUT LIMITATION, TRADE FIXTURES, EQUIPMENT, INVENTORY, SCIENTIFIC RESEARCH, SCIENTIFIC EXPERIMENTS, LABORATORY ANIMALS, PRODUCT, SPECIMENS, SAMPLES, AND/OR SCIENTIFIC, BUSINESS, ACCOUNTING AND OTHER RECORDS OF EVERY KIND AND DESCRIPTION AND ANY AND ALL INCOME DERIVED OR DERIVABLE THEREFROM; and (ii) THERE SHALL BE NO PERSONAL REcourse TO LICENSOR FOR ANY ACT OR OCCURRENCE IN, ON OR ABOUT THE PREMISES, SHARED SCIENCE FACILITY, SHARED CONFERENCE FACILITY OR PROJECT OR ARISING IN ANY WAY UNDER THIS LICENSE AGREEMENT OR ANY OTHER AGREEMENT BETWEEN LICENSOR AND LICENSEE WITH RESPECT TO THE SUBJECT MATTER HEREOF AND ANY LIABILITY OF LICENSOR HEREUNDER SHALL BE STRICTLY LIMITED SOLELY TO LICENSOR’S INTEREST IN THE PROJECT OR ANY PROCEEDS FROM SALE OR CONDEMNATION THEREOF AND ANY INSURANCE PROCEEDS PAYABLE IN RESPECT OF LICENSOR’S INTEREST IN THE PROJECT OR IN CONNECTION WITH ANY SUCH LOSS; and (iii) IN NO EVENT SHALL ANY PERSONAL LIABILITY BE ASSERTED AGAINST LICENSOR OR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS IN CONNECTION WITH THIS LICENSE AGREEMENT NOR SHALL ANY REcourse BE HAD TO ANY OTHER PROPERTY OR ASSETS OF LICENSOR OR ANY OF LICENSOR’S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS.

(c) Licensee acknowledges and agrees that there are no warranties of any kind, whether express or implied, made by Licensor or otherwise with respect to the Shared Science Facility or the acid neutralization system serving it, the Shared Conference Facility or any services (if any) provided in either the Shared Science Facility or Shared Conference Facility, and Licensee disclaims any and all such warranties.
(d) Licensor shall not be in default hereunder unless Licensor fails to perform any of its obligations hereunder within thirty (30) days after written notice from Licensee specifying such failure, with such extension of time by reason of Force Majeure as may be reasonably necessary; provided, however, that if the nature of Licensor’s obligation arises from an emergency condition and Licensee provides notice to Licensor (which may be telephonic if followed by written notice on the same day describing the emergency condition in reasonable detail, including without limitation the emergency nature of the condition and specifying in all capital letters and boldface type that the condition is an emergency and response is required by Licensor pursuant to this Agreement), then Licensor shall respond within a reasonable period after receipt of such notice of the emergency condition. Licensee’s sole remedy for any breach or default by Licensor hereunder shall be to terminate this Agreement and Licensee hereby, to the maximum extent possible, knowingly waives the provisions of any law or regulation, now or hereafter in effect which provides additional or other remedies to Licensee as a result of any breach by Licensor hereunder or under any such law or regulation.

8. **Miscellaneous.**

(a) This Agreement, together with the Lease, constitutes the entire agreement and understanding between the parties, and supersedes all offers, negotiations and other agreements concerning the subject matter contained herein. Any amendments to this Agreement must be in writing and executed by both parties.

(b) If any clause or provision of this Agreement is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby.

(c) This Agreement shall be binding on and inure to the benefit of the successors and permitted assigns of the respective parties.

(d) All notices or other communications between the parties shall be in writing and shall be deemed duly given upon delivery or refusal to accept delivery by the addressee thereof if delivered in person, or upon actual receipt if delivered by reputable overnight guaranty courier, addressed and sent to the parties at their addresses set forth in the Lease (as the same may be revised from time to time in accordance with the terms of the Lease).

(e) The license granted hereunder is appurtenant to Licensee’s leasehold interest in the Premises and may not be assigned or otherwise pledged or transferred, directly or indirectly, except in connection with any assignment of the Lease or sublease of the Premises to which Landlord consents or is otherwise permitted under the Lease. In the event of a permitted assignment of the Lease, this Agreement shall automatically be assigned thereby, and thereupon the assigning Licensee shall have no further rights to use or access the Shared Science Facility or facilities serving it or the Shared Conference Facility. No assignment or other transfer of the Lease or of this License shall release Licensee of its obligations hereunder.

(f) This Agreement shall be construed, interpreted, governed and enforced pursuant to the laws of the state in which the Property is located.

(g) This Agreement may be executed in multiple counterparts but all counterparts taken together shall constitute a single document.

(h) Time is of the essence of each and every provision of this Agreement.

(i) The parties to this Agreement hereby acknowledge that each such party and its counsel have participated in the negotiation and preparation of this Agreement, and this Agreement shall be construed and interpreted without regard to any presumption or other rule requiring construction against the party causing the Agreement to be drafted.
(j) Licensee acknowledges that its use of the acid neutralization facility serving the Shared Science Facility and Shared Conference Facility is non-exclusive and will be subject to the use of other tenants and licensees of the Property. Licensee acknowledges that it will be important for all such users to cooperate with each other to maintain the confidentiality of each party’s documents and operations as well as information a party may hold under confidential arrangements with third parties. Licensee shall maintain and treat as confidential and secret all information and materials which may intentionally or unintentionally be disclosed to it in connection with such shared occupancy (the “Confidential Information”). Licensee shall not disclose Confidential Information to any third party and will take appropriate action by instruction, agreement or otherwise with its employees, agents, affiliates, associates, representatives, contractors and invitees to ensure that security of the Confidential Information is maintained. Notwithstanding the foregoing, Licensee may disclose Confidential Information to the extent that (a) disclosure is compelled by judicial or administrative process or other requirements of law, or (b) Licensee can show that such Confidential Information (i) was publicly available prior to the date of this Agreement or thereafter became publicly available without violation of this Agreement by Licensee or its employees, agents, affiliates, associates, representatives, contractors or invitees, or (ii) became available to Licensee by means other than its use of or access to the Shared Science Facility or Shared Conference Facility. The provisions of this Section 8(j) shall survive the expiration or earlier termination of this Agreement.
IN WITNESS WHEREOF, Licensor and Licensee have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

LICENSEE:

CONSTELLATION PHARMACEUTICALS, INC.,
a Delaware corporation

By: ______________________________
Name: ____________________________
Title: _____________________________

LICENSOR:

ARE-MA REGION NO. 38, LLC,
a Delaware limited liability corporation

By: Alexandria Real Estate Equities, L.P.,
a Delaware limited partnership, member

By: ARE-QRS Corp., a Maryland corporation, general partner

By: ______________________________
Name: ____________________________
Title: _____________________________
EXHIBIT 1 TO LICENSE AGREEMENT
DESCRIPTION OR PLAN OF SHARED SCIENCE FACILITY
EXHIBIT 3 TO LICENSE AGREEMENT

RULES AND REGULATIONS

Rules and regulations (if any) will be established and implemented by Licensor during the Term.
EXHIBIT F TO LEASE

WORK LETTER
[Landlord Build]

THIS WORK LETTER dated February 5, 2010 (this “Work Letter”) is made and entered into by and between ARE-MA REGION NO. 38, LLC, a Delaware limited liability company (“Landlord”), and CONSTELLATION PHARMACEUTICALS, INC., a Delaware corporation (“Tenant”), and is attached to and made a part of the Lease dated February 5, 2010 (the “Lease”), by and between Landlord and Tenant. Any initially capitalized terms used but not defined herein shall have the meanings given them in the Lease.

1. General Requirements.

(a) Tenant’s Authorized Representative. Tenant designates Garen Bohlin and Arthur Brumell (either such individual acting alone, “Tenant’s Representative”) as the only persons authorized to act for Tenant pursuant to this Work Letter. Landlord shall not be obligated to respond to or act upon any request, approval, inquiry or other communication (“Communication”) from or on behalf of Tenant in connection with this Work Letter unless such Communication is in writing from Tenant’s Representative. Tenant may change either Tenant’s Representative at any time upon not less than 5 business days advance written notice to Landlord. Neither Tenant nor Tenant’s Representative shall be authorized to direct Landlord’s contractors in the performance of Landlord’s Work (as hereinafter defined).

(b) Landlord’s Authorized Representative. Landlord designates Joe Maguire and Andy Reinach (either such individual acting alone, “Landlord’s Representative”) as the only persons authorized to act for Landlord pursuant to this Work Letter. Tenant shall not be obligated to respond to or act upon any request, approval, inquiry or other Communication from or on behalf of Landlord in connection with this Work Letter unless such Communication is in writing from Landlord’s Representative. Landlord may change either Landlord’s Representative at any time upon not less than 5 business days advance written notice to Tenant. Landlord’s Representative shall be the sole persons authorized to direct Landlord’s contractors in the performance of Landlord’s Work.

(c) Architects, Consultants and Contractors. Landlord and Tenant hereby acknowledge and agree that the general contractor for the Tenant Improvements shall be The Richmond Group, Inc., and the architect (the “TI Architect”) for the Tenant Improvements shall be R.E. Dinneen Architects & Planners, Inc.

2. Tenant Improvements.

(a) Tenant Improvements Defined. As used herein, “Tenant Improvements” shall mean all improvements to the Project of a fixed and permanent nature as shown on the TI Construction Drawings, as defined in Section 2(c) below. Other than performance of the work on the Tenant Improvements, Landlord shall not have any obligation whatsoever with respect to the finishing of the Premises for Tenant’s use and occupancy.

(b) Tenant’s Space Plans. The schematic drawings and outline specifications (the “TI Design Drawings”) detailing Tenant’s requirements for the Tenant Improvements are attached hereto and made a part hereof as Exhibit #1.

(c) Working Drawings. Not later than 15 business days after the date of this Lease, Landlord shall cause the TI Architect to prepare and deliver to Tenant for review and comment construction plans, specifications and drawings for the Tenant Improvements (“TI Construction Drawings”), which TI Construction Drawings shall be prepared substantially in accordance with the TI Design Drawings. Tenant shall be solely responsible for ensuring that the TI Construction Drawings reflect Tenant’s requirements for the Tenant Improvements. Tenant shall deliver its written comments on
the TI Construction Drawings to Landlord not later than 5 business days after Tenant’s receipt of the same; provided, however, that Tenant may not disapprove any matter that is consistent with the TI Design Drawings without submitting a Change Request. Landlord and the TI Architect shall consider all such comments in good faith and shall, within 5 business days after receipt, notify Tenant how Landlord proposes to respond to such comments, but Tenant’s review rights pursuant to the foregoing sentence shall not delay the design or construction schedule for the Tenant Improvements. Any disputes in connection with such comments shall be resolved in accordance with Section 2(d) hereof. Provided that the design reflected in the TI Construction Drawings is consistent with the TI Design Drawings, Tenant shall approve the TI Construction Drawings submitted by Landlord, unless Tenant submits a Change Request. Once approved by Tenant, subject to the provisions of Section 4 below, Landlord shall not materially modify the TI Construction Drawings except as may be reasonably required in connection with the issuance of the TI Permit (as defined in Section 3(b) below). Landlord shall notify Tenant of any such material modifications as may be reasonably required in connection with the issuance of the TI Permit.

(d) Approval and Completion. It is hereby acknowledged by Landlord and Tenant that the TI Construction Drawings must be completed and approved not later than February 19, 2010, in order for the Landlord’s Work to be Substantially Complete by the Target Commencement Date (as defined in the Lease). Upon any dispute regarding the design of the Tenant Improvements, which is not settled within 10 business days after notice of such dispute is delivered by one party to the other, Tenant may make the final decision regarding the design of the Tenant Improvements, provided (i) Tenant acts reasonably and such final decision is a compromise between Landlord’s and Tenant’s positions with respect to such dispute, (ii) that all costs and expenses resulting from any such decision by Tenant that is not consistent with the TI Design Drawings shall be payable by Tenant, and (iii) Tenant’s decision will not affect the base Building, Base Building Work, structural components of the Building or any Building Systems. Any changes to the TI Construction Drawings following Landlord’s and Tenant’s approval of same requested by Tenant shall be processed as provided in Section 4 hereof.


(a) Definition of Landlord’s Work. As used herein, “Landlord’s Work” shall mean the work of constructing the Tenant Improvements and the work described in the plans and specifications attached hereto as Exhibit #2 (the “Base Building Work”), subject to such modifications to the Base Building Work as Landlord may determine to be necessary. Landlord shall cause its contractor to perform the Base Building Work at Landlord’s sole cost and expense and to coordinate the scheduling of the performance of the Tenant Improvements with the Base Building Work so that the Base Building Work can be Substantially Completed on or before Substantial Completion of the Tenant Improvements.

(b) Commencement and Permitting. Landlord shall commence construction of the Tenant Improvements upon obtaining a building permit (the “TI Permit”) authorizing the construction of the Tenant Improvements consistent with the TI Construction Drawings approved by Tenant. The cost of obtaining the TI Permit shall be paid by Landlord. Tenant shall assist Landlord in obtaining the TI Permit. If any Governmental Authority having jurisdiction over the construction of Landlord’s Work or any portion thereof shall impose terms or conditions upon the construction thereof that: (i) are inconsistent with Landlord’s obligations hereunder, (ii) increase the cost of constructing Landlord’s Work, or (iii) will materially delay the construction of Landlord’s Work, Landlord and Tenant shall reasonably and in good faith seek means by which to mitigate or eliminate any such adverse terms and conditions.

(c) Completion of the Tenant Improvements. The proposed design and construction timeline for the Tenant Improvements is attached hereto as Exhibit #3, which timeline is subject to Tenant Delays, delays due to Force Majeure and other changes as determined by Landlord. On or before the Target Commencement Date (subject to Tenant Delays and delays due to Force Majeure), Landlord shall substantially complete or cause to be substantially completed the Tenant Improvements in a good and workmanlike manner, in accordance with applicable Legal Requirements and the TI Permit subject, in each case, to Minor Variations and normal “punch list” items of a non-material nature that do not interfere with the use of the Premises ("Substantial Completion") or
“Substantially Complete”). Upon Substantial Completion of the Tenant Improvements, Landlord shall require the TI Architect and the general contractor to execute and deliver, for the benefit of Tenant and Landlord, a Certificate of Substantial Completion in the form of the American Institute of Architects (“AIA”) document G704. If required by applicable Legal Requirements, a certificate of occupancy (which may include a conditional certificate of occupancy) for the Tenant Improvements or permission to occupy issued by the appropriate municipal official shall be required for Substantial Completion; provided, however, that no delay on the part of the applicable Governmental Authority or municipal official in the issuance of such certificate of occupancy or permission to occupy, which delay arises from or relates to work by Tenant or its contractors, shall operate to delay Substantial Completion, and any such delay that arises from or relates to work by Tenant or its contractors shall be deemed to be a “Tenant Delay” under Section 3(f) below. For purposes of this Work Letter, “Minor Variations” shall mean any modifications reasonably required: (i) to comply with all applicable Legal Requirements and/or to obtain or to comply with any required permit (including the TI Permit); (ii) to comply with any request by Tenant for modifications to the Tenant Improvements; (iii) to comport with good design, engineering, and construction practices that are not material; or (iv) to make reasonable adjustments for field deviations or conditions encountered during the construction of Landlord’s Work. For purposes of this Work Letter and the Lease, Substantial Completion of the Base Building Work shall mean that Landlord’s contractor has substantially completed the Base Building Work in a good and workmanlike manner, in accordance with the building permit therefor, subject to Minor Variations and normal “punch list” items of a non-material nature that do not interfere with the use of the Premises.

(d) **Selection of Materials.** Where more than one type of material or structure is indicated on the TI Construction Drawings approved by Landlord and Tenant, the option will be selected at Landlord’s sole and absolute subjective discretion. As to all building materials and equipment that Landlord is obligated to supply under this Work Letter, Landlord shall select the manufacturer thereof in its sole and absolute subjective discretion.

(e) **Delivery of the Premises.** When the Tenant Improvements are Substantially Complete, subject to the remaining terms and provisions of this Section 3(e), Tenant shall accept the Premises. Tenant’s taking possession and acceptance of the Premises shall not constitute a waiver of: (i) any warranty with respect to workmanship (including installation of equipment) or material (exclusive of equipment provided directly by manufacturers), (ii) any non-compliance of the Tenant Improvements with applicable Legal Requirements, or (iii) any claim that the Tenant Improvements were not completed substantially in accordance with the TI Construction Drawings (subject to Minor Variations and such other changes as are permitted hereunder) (collectively, a “Construction Defect”). Tenant shall have one year after Substantial Completion within which to notify Landlord of any such Construction Defect discovered by Tenant, and Landlord shall use diligent efforts to remedy or cause the responsible contractor to remedy any such Construction Defect within 30 days thereafter; provided, however, that Landlord shall not be in default under the Lease if the applicable contractor, despite Landlord’s diligent efforts, fails to remedy such Construction Defect within such 30-day period, in which case Landlord shall continue to use diligent efforts to cause such contractor to remedy such Construction Defect.

Tenant shall be entitled to receive the benefit of all construction warranties and manufacturer’s equipment warranties relating to equipment installed in the Premises. If requested by Tenant, Landlord shall attempt to obtain extended warranties from manufacturers and suppliers of such equipment, but the cost of any such extended warranties shall be borne solely by Tenant. Landlord shall promptly undertake and complete, or cause to be completed, all punch list items in a manner that does not materially adversely affect Tenant’s use of the Premises for the Permitted Use.

(f) **Commencement Date Delay.** Except as otherwise provided in the Lease, Delivery of the Premises shall occur when the Tenant Improvements have been Substantially Completed, except to the extent that completion of the Tenant Improvements shall have been actually delayed by any one or more of the following causes (“Tenant Delay”):

(i) Tenant’s Representative was not available to give or receive any Communication or to take any other action required to be taken by Tenant hereunder;
Work Letter

(ii) Tenant’s request for Change Requests (as defined in Section 4(a) below) whether or not any such Change Requests are actually performed;

(iii) Construction of any Change Requests;

(iv) Tenant’s request for materials, finishes or installations requiring unusually long lead times provided that Landlord has advised Tenant of such long lead time items and Tenant continued to require such long lead time items;

(v) Tenant’s delay in reviewing, revising or approving plans and specifications beyond the periods set forth herein;

(vi) Tenant’s delay in providing information critical to the normal progression of the Project. Tenant shall provide such information as soon as reasonably possible, but in no event longer than 3 business days after receipt of any request for such information from Landlord;

(vii) Tenant’s delay in making payments to Landlord for Excess TI Costs (as defined in Section 5(c) below); or

(viii) Any other act or omission by Tenant or any Tenant Party (as defined in the Lease), or persons employed by any of such persons.

If Delivery is delayed for any of the foregoing reasons, then Landlord shall cause the TI Architect to certify the date on which the Tenant Improvements would have been completed but for such Tenant Delay and such certified date shall be the date of Delivery.

4. Changes. Any changes requested by Tenant to the Tenant Improvements after the delivery and approval by Landlord of the TI Design Drawings shall be requested and instituted in accordance with the provisions of this Section 4 and shall be subject to the written approval of Landlord and the TI Architect, such approval not to be unreasonably withheld, conditioned or delayed.

(a) Tenant’s Request For Changes. If Tenant shall request changes to the Tenant Improvements (“Changes”), Tenant shall request such Changes by notifying Landlord in writing in substantially the same form as the AIA standard change order form (a “Change Request”), which Change Request shall detail the nature and extent of any such Change. Such Change Request must be signed by Tenant’s Representative. Landlord shall, before proceeding with any Change, use commercially reasonable efforts to respond to Tenant as soon as is reasonably possible with an estimate of: (i) the time it will take, and (ii) the architectural and engineering fees and costs that will be incurred, to analyze such Change Request (which costs shall be paid by Tenant to the extent actually incurred, whether or not such change is implemented). Landlord shall thereafter submit to Tenant in writing, within 5 business days of receipt of the Change Request (or such longer period of time as is reasonably required depending on the extent of the Change Request), an analysis of the additional cost or savings involved, including, without limitation, architectural and engineering costs and the period of time, if any, that the Change will extend the date on which the Tenant Improvements or Base Building Work will be Substantially Complete. Any such delay in the completion of the Tenant Improvements or Base Building Work caused by a Change, including any suspension of the Tenant Improvements work and/or Base Building Work to the extent reasonably required while any such Change is being evaluated and/or designed, shall be Tenant Delay.

(b) Implementation of Changes. If Tenant: (i) approves in writing the cost or savings and the estimated extension in the time for completion of the Tenant Improvements and Base Building Work, if any, and (ii) deposits with Landlord any Excess TI Costs required in connection with such Change, Landlord shall cause the approved Change to be instituted. Notwithstanding any approval or disapproval by Tenant of any estimate of the delay caused by such proposed Change, the TI Architect’s determination of the amount of Tenant Delay in connection with such Change shall be final and binding on Landlord and Tenant.
5. **Excess TI Costs.** Landlord shall pay for the design, permits and construction costs in connection with the construction of the Tenant Improvements and Base Building Work, including, without limitation, the cost of electrical power and other utilities used in connection with the construction of the Tenant Improvements and Base Building Work, the cost of preparing the TI Design Drawings and TI Construction Drawings, except that Tenant shall be solely responsible for paying Landlord for all costs resulting from Tenant Delays, Changes and Minor Variations resulting from any request by Tenant for modifications to the Tenant Improvements or Base Building Work. The costs resulting from Tenant Delays, Changes and such Minor Variations are referred to as **“Excess TI Costs”**. Landlord shall have no obligation to bear any portion of the Excess TI Costs. If Tenant fails to pay Landlord within 10 business days after demand for any Excess TI Costs, Landlord shall have all of the rights and remedies set forth in the Lease for nonpayment of Rent (including, but not limited to, the right to interest at the Default Rate and the right to assess a late charge). For purposes of any litigation instituted with regard to such amounts, those amounts will be deemed Rent under the Lease. Notwithstanding anything to the contrary contained herein, Landlord shall not be responsible for the purchase or installation of any furniture, personal property or other non-Building system materials or equipment, including, but not limited to, Tenant’s voice or data cabling, non-ducted biological safety cabinets and other scientific equipment not incorporated into the Tenant Improvements.

6. **Tenant Access.**

   (a) **Tenant’s Access Rights.** Landlord hereby agrees to permit Tenant access, at Tenant’s sole risk and expense, to the Building (i) 30 days prior to the Target Commencement Date to install furniture and telephone and data cabling and to otherwise prepare the Premises for occupancy by Tenant (collectively, **“Tenant’s Work”**), provided that such Tenant’s Work is coordinated with the TI Architect and the general contractor, and complies with the Lease and all other reasonable restrictions and conditions Landlord may impose, and (ii) prior to the completion of the Tenant Improvements, to inspect and observe work in process; all such access shall be during normal business hours or at such other times as are reasonably designated by Landlord. Notwithstanding the foregoing, Tenant shall have no right to enter onto the Premises or the Project unless and until Tenant shall deliver to Landlord evidence reasonably satisfactory to Landlord demonstrating that any insurance reasonably required by Landlord in connection with such pre-commencement access (including, but not limited to, any insurance that Landlord may require pursuant to the Lease) is in full force and effect. Any entry by Tenant shall comply with all established safety practices of Landlord’s contractor and Landlord until completion of the Tenant Improvements and acceptance thereof by Tenant.

   (b) **No Interference.** Neither Tenant nor any Tenant Party (as defined in the Lease) shall interfere with the performance of work on the Tenant Improvements or performance of the Base Building Work, nor with any inspections or issuance of final approvals by applicable Governmental Authorities, and upon any such interference, Landlord shall have the right to exclude Tenant and any Tenant Party from the Premises and the Project until Substantial Completion of the Tenant Improvements and Base Building Work. Tenant agrees to take such steps as may be required, or as otherwise directed by Landlord, with respect to contractors and subcontractors performing any Alterations to ensure that no labor disruption, strikes, pickets, protests or other similar labor actions occur on or about the Premises in connection with the performance of any of Tenant’s Work.

   (c) **No Acceptance of Premises.** The fact that Tenant may, with Landlord’s consent, enter into the Project prior to the date the Tenant Improvements are Substantially Complete for the purpose of performing Tenant’s Work shall not be deemed an acceptance by Tenant of possession of the Premises, but in such event Tenant shall defend with counsel reasonably acceptable by Landlord, indemnify and hold Landlord harmless from and against any loss of or damage to Tenant’s property, completed work, fixtures, equipment, materials or merchandise, and from liability for death of, or injury to, any person, caused by the act or omission of Tenant or any Tenant Party.
7. Miscellaneous.

(a) **Consents.** Whenever consent or approval of either party is required under this Work Letter, that party shall not unreasonably withhold, condition or delay such consent or approval, unless expressly set forth herein to the contrary.

(b) **Modification.** No modification, waiver or amendment of this Work Letter or of any of its conditions or provisions shall be binding upon Landlord or Tenant unless in writing signed by Landlord and Tenant.

(c) **Default.** Notwithstanding anything set forth herein or in the Lease to the contrary, Landlord shall not have any obligation to perform any work hereunder or to fund any portion of the Tenant Improvements during any period Tenant is in Default under the Lease.
Exhibit #1 to Work Letter

TI Design Drawings

[attached]

© All Rights Reserved 2001 Alexandria Real Estate Equities, Inc.
CONFIDENTIAL – DO NOT COPY
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<td>Wall Base</td>
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<td>Wall Base - 4&quot; high voltage wiring equal to Empire Tronic 1/4&quot; rigid color #125 &quot;Empire&quot;.</td>
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<tr>
<td>Interior streetfront entry system equal to Recessed Trilift, door sandwiched with JVV parting line (clear) paint steel panel wood door, finish ANSI 01, lever 9-6860 PD with door A, both in finish 5011 &quot;auto-etched plate&quot;, hinge = Hager 325 surface BR1251 ANSI A112.4-5/8 x 4-5/8 steel, overhead, face stop - Hager 325 in finish &quot;auto-etched&quot;, key lock and hardware to interface with existing entry system.</td>
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<td>Entrance - Unfinished (ROD), sloped smooth solid flush.</td>
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<td>Door - 3'-0&quot; x 7'-0&quot; solid core with smooth face veneer for clear finish. With 4'-0&quot; 12&quot; x 12&quot; overhead light</td>
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<tr>
<td>Hardware - Latches ANSI P121, lever 9-6860 PD with door A, both in finish 5011 &quot;auto-etched plate&quot;, hinge - Hager 325 surface BR1251 ANSI A112.4-5/8 x 4-5/8 steel, face stop - Hager 325 in finish &quot;auto-etched&quot;,</td>
<td>no</td>
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### Category/Item Description:

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<th>Category/Area</th>
<th>Description</th>
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<tr>
<td>Lab Office Areas</td>
<td><strong>Lab Office Areas:</strong></td>
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<tr>
<td></td>
<td>Door - 3'-0&quot; x 7'-0&quot; solid core with maple veneer for clear finish. With ¾&quot; 3/4&quot; recessed light.</td>
</tr>
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<td></td>
<td>Panel - Laminate 1/8&quot; Ply with oak A, white oak or oak C with chrome plate. Hinge - Hager A111. 4- 4&quot; x 4&quot; 4-1/2&quot; mortise - 1-1/4&quot; 1-1/4&quot; Face Grp - Hager 241S flush &quot;bone chrome&quot;.</td>
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<tr>
<td></td>
<td>Hoods - 1/8&quot; x 5'-0&quot; below counter to receive solid core finish.</td>
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<td>Hardware - Laminate 1/8&quot; Ply with oak A, white oak or oak C with chrome plate. Hinge - Hager A111. 4- 4&quot; x 4&quot; 4-1/2&quot; mortise - 1-1/4&quot; 1-1/4&quot; Face Grp - Hager 241S flush &quot;bone chrome&quot;.</td>
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<tr>
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<td><strong>Ceilings/Doors</strong></td>
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<td>Panel - Veneer panel 1/8&quot; solid core panel bases.</td>
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<td>Door - 1/8&quot; x 5'-0&quot; below counter to receive solid core finish.</td>
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<tr>
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<td>Hardware - Laminate 1/8&quot; Ply with oak A, white oak or oak C with chrome plate. Hinge - Hager A111. 4- 4&quot; x 4&quot; 4-1/2&quot; mortise - 1-1/4&quot; 1-1/4&quot; Face Grp - Hager 241S flush &quot;bone chrome&quot;.</td>
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<td><strong>Countertop/Work</strong></td>
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<td>Panel - Veneer panel 1/8&quot; solid core panel bases.</td>
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<td>Door - 1/8&quot; x 5'-0&quot; below counter to receive solid core finish.</td>
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<td>Hardware - Laminate 1/8&quot; Ply with oak A, white oak or oak C with chrome plate. Hinge - Hager A111. 4- 4&quot; x 4&quot; 4-1/2&quot; mortise - 1-1/4&quot; 1-1/4&quot; Face Grp - Hager 241S flush &quot;bone chrome&quot;.</td>
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<td><strong>Laboratory Casework</strong></td>
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<td>Panel - Veneer panel 1/8&quot; solid core panel bases.</td>
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<td>Door - 1/8&quot; x 5'-0&quot; below counter to receive solid core finish.</td>
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<td>Hardware - Laminate 1/8&quot; Ply with oak A, white oak or oak C with chrome plate. Hinge - Hager A111. 4- 4&quot; x 4&quot; 4-1/2&quot; mortise - 1-1/4&quot; 1-1/4&quot; Face Grp - Hager 241S flush &quot;bone chrome&quot;.</td>
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<td><strong>Office Areas</strong></td>
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<td></td>
<td>Panel - Veneer panel 1/8&quot; solid core panel bases.</td>
</tr>
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<td>Door - 1/8&quot; x 5'-0&quot; below counter to receive solid core finish.</td>
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<td>Hardware - Laminate 1/8&quot; Ply with oak A, white oak or oak C with chrome plate. Hinge - Hager A111. 4- 4&quot; x 4&quot; 4-1/2&quot; mortise - 1-1/4&quot; 1-1/4&quot; Face Grp - Hager 241S flush &quot;bone chrome&quot;.</td>
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<td><strong>Maintenance:</strong></td>
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<td></td>
<td>Panel - Veneer panel 1/8&quot; solid core panel bases.</td>
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<td>Door - 1/8&quot; x 5'-0&quot; below counter to receive solid core finish.</td>
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<tr>
<td></td>
<td>Hardware - Laminate 1/8&quot; Ply with oak A, white oak or oak C with chrome plate. Hinge - Hager A111. 4- 4&quot; x 4&quot; 4-1/2&quot; mortise - 1-1/4&quot; 1-1/4&quot; Face Grp - Hager 241S flush &quot;bone chrome&quot;.</td>
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</tbody>
</table>

### Floor Plan:

- [Image of floor plan]

---

### Constellation Pharmaceuticals

**Exhibit #1 to Work Letter**

**11 Finish Schedule**

---

### Notes:

- [Additional notes if applicable]
### Structural

**Category/Item Description:**

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<tr>
<th>Item</th>
<th>40' Off</th>
<th>30' Off</th>
<th>20' Off</th>
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<th>10' Off</th>
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<td>Exterior Window Treatments:</td>
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### Finishing

**Category/Item Description:**

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### Plumbing

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### HVAC

**Category/Item Description:**

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### Electrical

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Based on 7th Edition, Massachusetts Building Code

**Fire Protection**

The base building common areas are to be provided with automatic wet-pipe sprinkler protection and automatic wet standpipes in accordance with 780CMR, NFPA 13 and NFPA 14. An existing fire pump shall serve the standpipe and sprinkler systems for the renovated areas.

The system design shall include the tenant area coverage shall have concealed sprinkler heads.

Fire Protection main sizing shall be based upon the following NFPA 13 criteria:

Offices, corridors, toilet rooms, lobbies: Light Hazard Laboratory Areas, Storage, Mechanical: Ordinary Hazard Group 2

**Plumbing**

Non-potable cold water, non-potable hot water, potable cold water, tempered water, lab vacuum, compressed air and RODI systems shall connect to existing building systems and routed to lab benches and hoods. Locations identified in the equipment matrix. Piping shall be type L copper, except RODI to be poly.

Two specialty gas cylinder locations will be provided with automatic change over manifold. Nitrogen and CO2 gases will be piped to equipment identified in the equipment matrix.

Office area kitchenette will have domestic cold water, waste and vent connected to existing building services. Hot water will be generated by a 20 gallon point of use heater below the sink or above the ceiling.

Lab waste and vent shall be connected to the existing base building central system. Piping to be standard poly with welded joints and sampling port prior to connection at the riser.
HVAC

Equipment from the base building is sized to adequately maintain a cooling temperature within the Tenant areas of an inside condition of 75°F, dry bulb at 50% relative humidity; with outside condition of 91°F dry bulb and 74°F wet bulb (during summer) and 72°F dry bulb inside at zero degree dry bulb outside.

The allowance for occupancy density for air conditioning design is one (1) person for 400 square feet of lab and one (1) person for 200 square feet of office.

Air flow from the base building system for the Building D area is rated to provide 15,000 CFM of total supply air (85% filtration) and 15,000 CFM exhaust air. Available chilled water capacity is rated for 55 GPM and hot water is rated for 45 GPM.

Air flow from the base building system for the Building A area is rated to provide 12,000 CFM of total supply air (85% filtration), 6000 CFM of total return air and 6000 CFM exhaust air. Available hot water is rated for 45 GPM.

Fume Hoods shall be VAV type rated at 100 FPM face velocity at 18 inch sash height opening (900 CFM/6 foot hood, 1150 CFM/8 foot hood, 1400 CFM/8 foot walk-in hood). BSC hoods shall be re-circulating type with no exhaust connections to the base building system.

Spot exhaust drops with blast gates, rated for 50-100 CFM will be provided per the equipment matrix. Spot exhaust will be a hard duct thru the ceiling with flexible ductwork to bench.

Office areas in the Building D areas shall be served by fan coil units with ventilation air from the base building supply air ductwork to serve the office area. Fan coil units will be connected to the chilled water and hot water piping system.

Building D lab areas will be served by air handling units from the base building system with supplemental fan coil units for equipment areas and tissue culture areas.

Building A area shall be served by the base building air handling system and will an all air system with finned tube radiation along the perimeter in the open office areas and hot water coils in the terminal units as required for heating. In general, interior open office zones will not have heating coils, unless required due to skylights or other special requirements.

The Main T/D Computer Room shall have a 4 ton air conditioning system, typical to a Sanyo split system with wall mounted evaporator unit. Tel/Data Room shall have a supply air register for cooling connected to the nearest supply air main.

Page 2 of 3
AHA Consulting Engineers
Electrical

Base building electrical closet shall be utilized for Constellation power requirements. Panels and transformers shall be located within this base building room.

Tenant available electric power:

- Office lights 1.5 W/SF
- Office power 4 W/SF
- Office HVAC 2 W/SF
- Lab lights 1.5 W/SF
- Lab power, per equipment matrix
- Lab HVAC 2 W/SF

Stand-by power will be provided via an automatic transfer switch and power from the base building generator, per the equipment matrix. Generator power is available at 4 W/SF of lab area. Main T/D Computer Room cooling equipment shall be on generator power.

Base building fire alarm system shall be fully addressable with voice evacuation and expansion capabilities, Constellation shall expand from the base building system and shall be limited to the renovation area.

Communications

Empty conduits have been provided to the T/D Room located on the 2nd floor for Constellation communications vendor to install wiring, devices and terminations.

T/D, and security system will be provided by Constellation. Build out team will provide coordination and box/string for T/D, security and alarm locations defined by Constellation.
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<th>Room</th>
<th>Equip.</th>
<th>Sq FT</th>
<th>Equipment Description</th>
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**SCOPED RM 273**

1. Computer, desk chair, 360° FF, double row wall outlets, C&I 120 1 3 x 10 X

**READ RM 275**

1. Computer, desk chair, 360° FF, desk chair, 360° FF, X

**DRR ROOM 275A**

1. Computer, desk chair, 360° FF, desk chair, 360° FF, X

**Cabinets for shelves**

1. X-D-R-MAT Xerox 3030 24 60 48 3 24 1 252 X 20

**Reception**

1. Desk and chair, C&I

**Cord Room**

1. Desk and chair, C&I

**Meeting Room**

1. Chair and table, C&I

2. Chair and table, C&I

3. Chair and table, C&I
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**Notes:**
- Room notes: Custom fume hoods, custom meters, custom controllers, etc.
- Equipment notes: Custom fume hoods, custom meters, custom controllers, etc.
- Vendor notes: Custom fume hoods, custom meters, custom controllers, etc.
- Supplier notes: Custom fume hoods, custom meters, custom controllers, etc.
- Other notes: Custom fume hoods, custom meters, custom controllers, etc.

**HVAC Notes:**
- A/C notes: Custom fume hoods, custom meters, custom controllers, etc.
- Duct notes: Custom fume hoods, custom meters, custom controllers, etc.
- Vent notes: Custom fume hoods, custom meters, custom controllers, etc.
- Exhaus notes: Custom fume hoods, custom meters, custom controllers, etc.
- Property notes: Custom fume hoods, custom meters, custom controllers, etc.

**Other Notes:**
- Custom fume hoods, custom meters, custom controllers, etc.
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Additional notes: Gas pipe, water pipe, electrical,及 Vitamin 12h and 15h.
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**Room Use**

- **Meeting Room 213**
- **Office 214**
- **Office 217**
- **Open Office 218**
- **Office 219**

**Equipment**

- **Office 213**
- **Office 214**
- **Office 217**
- **Open Office 218**
- **Office 219**

**Room Dimensions**

- **102 OFFICE**
- **96 OPEN OFFICE**
- **103 OFFICE**
- **104 OFFICE**
- **105 OFFICE**
- **106 OFFICE**
- **107 OFFICE**
- **108 OFFICE**
- **109 OFFICE**
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- **111 OFFICE**
- **112 OFFICE**
- **113 OFFICE**
- **114 OFFICE**
- **115 OFFICE**
- **116 OFFICE**
- **117 OFFICE**
- **118 OFFICE**
Exhibit #2 to Work Letter

Plans and Specifications for Base Building Work

[attached]

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CONFIDENTIAL – DO NOT COPY
<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>ALLOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SITEWORK</strong></td>
<td><strong>Landlord</strong></td>
</tr>
<tr>
<td>Perimeter sidewalks, street curbs, miscellaneous site furnishings, landscaping and parking</td>
<td>X</td>
</tr>
<tr>
<td>Telephone service to main demarcation room from local exchange carrier</td>
<td>X</td>
</tr>
<tr>
<td>Domestic sanitary sewer connection to street</td>
<td>X</td>
</tr>
<tr>
<td>Lab waste sewer connection to common pH neutralization system</td>
<td>X</td>
</tr>
<tr>
<td>Roof storm drainage</td>
<td>X</td>
</tr>
<tr>
<td>NStar primary and secondary electrical service</td>
<td>X</td>
</tr>
<tr>
<td>NStar gas service</td>
<td>X</td>
</tr>
<tr>
<td>Domestic water service to Building</td>
<td>X</td>
</tr>
<tr>
<td>Fire protection water service to Building</td>
<td>X</td>
</tr>
<tr>
<td><strong>STRUCTURE</strong></td>
<td><strong>Landlord</strong></td>
</tr>
<tr>
<td>Reinforced concrete slab with live load capacity of 115 psf</td>
<td>X</td>
</tr>
<tr>
<td>Structural enhancements for specific Tenant load requirements</td>
<td>X</td>
</tr>
<tr>
<td>Floor to floor heights ranging from 9'-0” to 14’-0”</td>
<td>X</td>
</tr>
<tr>
<td>Structural framing dunnage above roof for Base Building equipment</td>
<td>X</td>
</tr>
<tr>
<td>Structural framing dunnage above roof for Tenant equipment subject to Landlord review and approval.</td>
<td>X</td>
</tr>
<tr>
<td>Framed openings for Base Building utility risers</td>
<td>X</td>
</tr>
<tr>
<td>Framed openings for Tenant utility risers in addition to Base Building subject to Landlord review and approval.</td>
<td>X</td>
</tr>
<tr>
<td>Miscellaneous metals items and/or concrete pads for Base Building equipment</td>
<td>X</td>
</tr>
<tr>
<td>Miscellaneous metals items and/or concrete pads for Tenant equipment</td>
<td>X</td>
</tr>
<tr>
<td><strong>ROOFING</strong></td>
<td><strong>Landlord</strong></td>
</tr>
<tr>
<td>Single ply EPDM roofing system with rigid insulation</td>
<td>X</td>
</tr>
<tr>
<td>Roofing penetrations for Base Building equipment/systems</td>
<td>X</td>
</tr>
<tr>
<td>Roofing penetrations for Tenant equipment/systems</td>
<td>X</td>
</tr>
<tr>
<td>Walkway pads to Base Building equipment</td>
<td>X</td>
</tr>
<tr>
<td>Walkway pads to Tenant equipment</td>
<td>X</td>
</tr>
<tr>
<td>Roofing alterations due to Tenant changes</td>
<td>X</td>
</tr>
<tr>
<td><strong>EXTERIOR</strong></td>
<td><strong>Landlord</strong></td>
</tr>
<tr>
<td>Building exterior consisting of masonry and punched windows</td>
<td>X</td>
</tr>
<tr>
<td>Aluminum frames and insulated windows</td>
<td>X</td>
</tr>
<tr>
<td>Main Building entrances</td>
<td>X</td>
</tr>
<tr>
<td>Loading dock overhead door</td>
<td>X</td>
</tr>
<tr>
<td>Acoustic screening of Base Building rooftop equipment</td>
<td>X</td>
</tr>
<tr>
<td>Acoustic screening of Tenant rooftop equipment</td>
<td>X</td>
</tr>
<tr>
<td><strong>COMMON AREAS</strong></td>
<td><strong>Landlord</strong></td>
</tr>
<tr>
<td>Accessible main entrance</td>
<td>X</td>
</tr>
<tr>
<td>First floor finished lobby</td>
<td>X</td>
</tr>
<tr>
<td>Upper level elevator lobbies on floors with multiple Tenants within redeveloped space</td>
<td>X</td>
</tr>
</tbody>
</table>

**CONFIDENTIAL AND PROPRIETARY. DO NOT COPY OR DISTRIBUTE.**
<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>ALLOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core area toilet rooms</td>
<td>X</td>
</tr>
<tr>
<td>Janitor’s closets in core areas</td>
<td>X</td>
</tr>
<tr>
<td>Electrical closets in core areas</td>
<td>X</td>
</tr>
<tr>
<td>IDF connected to secondary demarcation room</td>
<td>X</td>
</tr>
<tr>
<td>Primary demarcation room</td>
<td>X</td>
</tr>
<tr>
<td>Loading area dock</td>
<td>X</td>
</tr>
<tr>
<td>Doors, frames, and hardware at common areas</td>
<td>X</td>
</tr>
<tr>
<td>ELEVATORS</td>
<td></td>
</tr>
<tr>
<td>One traction passenger elevator with 3,000 lb. capacity</td>
<td>X</td>
</tr>
<tr>
<td>One traction freight elevator with 4,500 lb. capacity</td>
<td>X</td>
</tr>
<tr>
<td>WINDOW TREATMENT</td>
<td></td>
</tr>
<tr>
<td>Furnish and install Building standard blinds for all windows</td>
<td>X</td>
</tr>
<tr>
<td>TENANT AREAS</td>
<td></td>
</tr>
<tr>
<td>Finishes at inside face of exterior walls</td>
<td>X</td>
</tr>
<tr>
<td>Finishes at inside face at Tenant side of core partitions</td>
<td>X</td>
</tr>
<tr>
<td>Toilet rooms within Tenant Premises</td>
<td>X</td>
</tr>
<tr>
<td>Electrical closets within Tenant Premises</td>
<td>X</td>
</tr>
<tr>
<td>Tel/data rooms for interconnection with Tenant tel/data</td>
<td>X</td>
</tr>
<tr>
<td>Tenant kitchen areas</td>
<td>X</td>
</tr>
<tr>
<td>Modifications to core areas to accommodate Tenant requirements</td>
<td>X</td>
</tr>
<tr>
<td>Partitions, ceilings, flooring, painting, finishes, doors, frames, hardware,</td>
<td>X</td>
</tr>
<tr>
<td>casework, and buildout</td>
<td></td>
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<tr>
<td>Fixed or movable casework</td>
<td>X</td>
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<tr>
<td>Laboratory Equipment including but not limited to biosafety cabinets,</td>
<td>X</td>
</tr>
<tr>
<td>autoclaves, glasswashers. In addition to Base Building equipment</td>
<td></td>
</tr>
<tr>
<td>Chemical Fume Hoods, bench fume hood</td>
<td>X</td>
</tr>
<tr>
<td>Finishes at corridors on floors with multiple Tenants within redeveloped</td>
<td>X</td>
</tr>
<tr>
<td>space</td>
<td></td>
</tr>
<tr>
<td>Shaft enclosures for Base Building systems’ risers</td>
<td>X</td>
</tr>
<tr>
<td>Shaft enclosures for Tenant risers</td>
<td>X</td>
</tr>
<tr>
<td>FIRE PROTECTION</td>
<td></td>
</tr>
<tr>
<td>Fire service entrance including fire department connection, alarm valve,</td>
<td>X</td>
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<tr>
<td>and flow protection</td>
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<tr>
<td>Core area distribution piping and sprinkler heads</td>
<td>X</td>
</tr>
<tr>
<td>Stair distribution piping and sprinkler heads</td>
<td>X</td>
</tr>
<tr>
<td>Primary distribution and sprinkler heads adequate to support ordinary</td>
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<tr>
<td>hazard (with upturned heads)</td>
<td></td>
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<tr>
<td>All run outs, drop heads, and related equipment within Tenant premises</td>
<td>X</td>
</tr>
<tr>
<td>Modification of sprinkler piping and head locations to suit Tenant layout</td>
<td>X</td>
</tr>
<tr>
<td>and hazard index</td>
<td></td>
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<tr>
<td>Specialized extinguishing systems</td>
<td>X</td>
</tr>
<tr>
<td>Preaction dry-pipe systems (if required)</td>
<td>X</td>
</tr>
<tr>
<td>Fire extinguisher cabinets at core areas</td>
<td>X</td>
</tr>
<tr>
<td>Fire extinguisher cabinets in Tenant Premises</td>
<td>X</td>
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<tr>
<td>DESCRIPTION</td>
<td>ALLOCATION</td>
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<tr>
<td>-----------------------------------------------------------------------------</td>
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<tr>
<td><strong>PLUMBING</strong></td>
<td>Landlord</td>
</tr>
<tr>
<td>Domestic water service with backflow prevention and Base Building risers</td>
<td>X</td>
</tr>
<tr>
<td>Domestic water distribution within Tenant Premises</td>
<td>X</td>
</tr>
<tr>
<td>Core restroom plumbing fixtures compliant with accessibility requirements</td>
<td>X</td>
</tr>
<tr>
<td>Tenant restroom plumbing fixtures compliant with accessibility requirements (in addition to those provided by the Base Building)</td>
<td>X</td>
</tr>
<tr>
<td>Wall hydrants in core areas (where required by code)</td>
<td>X</td>
</tr>
<tr>
<td>Tenant metering and sub-metering at Tenant connection</td>
<td>X</td>
</tr>
<tr>
<td>Storm drainage system</td>
<td></td>
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<tr>
<td>Sanitary waste and vent service</td>
<td></td>
</tr>
<tr>
<td>Two stage active pH neutralization system (common)</td>
<td>X</td>
</tr>
<tr>
<td>Lab waste and vent pipe risers</td>
<td>X</td>
</tr>
<tr>
<td>Lab waste and vent pipe distribution serving Tenant Premises</td>
<td>X</td>
</tr>
<tr>
<td>Hot water generation for core restrooms</td>
<td>X</td>
</tr>
<tr>
<td>Non-potable Hot water generation for Tenant use</td>
<td>X</td>
</tr>
<tr>
<td>Central lab air compressor</td>
<td>X</td>
</tr>
<tr>
<td>Compressed air piping risers</td>
<td>X</td>
</tr>
<tr>
<td>Compressed air pipe distribution in Tenant Premises for specific points of use</td>
<td>X</td>
</tr>
<tr>
<td>Central lab vacuum system</td>
<td>X</td>
</tr>
<tr>
<td>Lab vacuum pipe risers</td>
<td>X</td>
</tr>
<tr>
<td>Lab vacuum pipe distribution in Tenant Premises for specific points of use</td>
<td>X</td>
</tr>
<tr>
<td>Tepid water generator</td>
<td>X</td>
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<tr>
<td>Tepid water pipe risers</td>
<td>X</td>
</tr>
<tr>
<td>Tepid water pipe distribution in Tenant Premises</td>
<td>X</td>
</tr>
<tr>
<td>DI water generator</td>
<td>X</td>
</tr>
<tr>
<td>DI water pipe risers</td>
<td>X</td>
</tr>
<tr>
<td>DI water pipe distribution in Tenant Premises for specific points of use</td>
<td>X</td>
</tr>
<tr>
<td>Manifolds, piping, and other requirements including cylinders, not specifically mentioned above</td>
<td>X</td>
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<tr>
<td><strong>NATURAL GAS</strong></td>
<td></td>
</tr>
<tr>
<td>Natural gas service to Building</td>
<td>X</td>
</tr>
<tr>
<td>Natural gas service to Base Building boilers</td>
<td>X</td>
</tr>
<tr>
<td>Natural gas service to standby generator</td>
<td>X</td>
</tr>
<tr>
<td>Natural gas service, pressure regulator and meter for Tenant equipment</td>
<td>X</td>
</tr>
<tr>
<td>Natural gas piping from Tenant meter to Tenant Premises or Tenant equipment area</td>
<td>X</td>
</tr>
<tr>
<td>Natural gas pipe distribution within Tenant Premises</td>
<td>X</td>
</tr>
<tr>
<td>Natural gas pressure regulator vent pipe riser from valve location through roof</td>
<td>X</td>
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<tr>
<td><strong>HEATING, VENTILATION, AIR CONDITIONING</strong></td>
<td></td>
</tr>
<tr>
<td>Central air cooled chilled water plant</td>
<td>X</td>
</tr>
<tr>
<td>Chilled water pipe risers</td>
<td>X</td>
</tr>
<tr>
<td>DESCRIPTION</td>
<td>ALLOCATION</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Chilled water pipe distribution within Tenant Premises</td>
<td>X</td>
</tr>
<tr>
<td>Central gas fired boiler plant</td>
<td>X</td>
</tr>
<tr>
<td>Hot water pipe risers</td>
<td>X</td>
</tr>
<tr>
<td>Hot water pipe distribution within Tenant Premises</td>
<td>X</td>
</tr>
<tr>
<td>Fan coil units within Tenant Premises</td>
<td>X</td>
</tr>
<tr>
<td>Reheat coils within Tenant Premises</td>
<td>X</td>
</tr>
<tr>
<td>Fan coil units within core areas</td>
<td>X</td>
</tr>
<tr>
<td>Reheat coils within core areas</td>
<td>X</td>
</tr>
<tr>
<td>Building Management System (BMS) for core area and Landlord infrastructure</td>
<td>X</td>
</tr>
<tr>
<td>BMS (compatible with Landlord’s system) within Tenant Premises and Tenant</td>
<td>X</td>
</tr>
<tr>
<td>infrastructure</td>
<td></td>
</tr>
<tr>
<td>Once-through supply air handling units with 30% prefilters, 85% final</td>
<td>X</td>
</tr>
<tr>
<td>filters, chilled water coils, and hot water coils. Units are sized for</td>
<td></td>
</tr>
<tr>
<td>approximately 1 cfm per usable square foot.</td>
<td></td>
</tr>
<tr>
<td>Vertical supply air duct distribution</td>
<td>X</td>
</tr>
<tr>
<td>Supply air duct distribution, VAV terminals, equipment connections,</td>
<td>X</td>
</tr>
<tr>
<td>insulation, air terminals, dampers, hangers, etc. within Tenant Premises.</td>
<td></td>
</tr>
<tr>
<td>Supply air duct distribution, VAV terminals, equipment connections,</td>
<td>X</td>
</tr>
<tr>
<td>insulation, air terminals, dampers, hangers, etc. within core areas.</td>
<td></td>
</tr>
<tr>
<td>Roof mounted laboratory exhaust fans</td>
<td>X</td>
</tr>
<tr>
<td>Vertical exhaust air duct risers</td>
<td>X</td>
</tr>
<tr>
<td>Exhaust air duct distribution, exhaust air valves, equipment connections,</td>
<td>X</td>
</tr>
<tr>
<td>insulation, air terminals, dampers, hangers, etc. within Tenant Premises.</td>
<td></td>
</tr>
<tr>
<td>Exhaust air duct distribution, exhaust air valves, equipment connections,</td>
<td>X</td>
</tr>
<tr>
<td>insulation, air terminals, dampers, hangers, etc. within core areas.</td>
<td></td>
</tr>
<tr>
<td>Restroom exhaust for core area restrooms</td>
<td>X</td>
</tr>
<tr>
<td>Restroom exhaust for restrooms within Tenant Premises</td>
<td>X</td>
</tr>
<tr>
<td>Electric room ventilation system for Base Building electrical closets</td>
<td>X</td>
</tr>
<tr>
<td>Electric room ventilation system for electrical closets within Tenant</td>
<td>X</td>
</tr>
<tr>
<td>premises</td>
<td></td>
</tr>
<tr>
<td>Sound attenuation for Base Building infrastructure to comply with Cambridge Noise Ordinance</td>
<td>X</td>
</tr>
<tr>
<td>Sound attenuation for Tenant equipment to comply with Cambridge Noise Ordinance</td>
<td>X</td>
</tr>
<tr>
<td>Additional/dedicated cooling for Tenant requirements.</td>
<td>X</td>
</tr>
<tr>
<td><strong>ELECTRICAL</strong></td>
<td></td>
</tr>
<tr>
<td>Electrical utility service to switchgear in 1st floor electrical room</td>
<td>X</td>
</tr>
<tr>
<td>3,200 amp, 480/277v bus riser</td>
<td>X</td>
</tr>
<tr>
<td>Allocation of bus power for Tenant use (w/sf):</td>
<td></td>
</tr>
<tr>
<td>o Office fighting – 1.5</td>
<td></td>
</tr>
<tr>
<td>o Office power – 4</td>
<td></td>
</tr>
<tr>
<td>o Office HVAC – 2</td>
<td>X</td>
</tr>
<tr>
<td>o Lab lighting – 1.5</td>
<td></td>
</tr>
<tr>
<td>o Lab power – 12</td>
<td></td>
</tr>
<tr>
<td>o Lab HVAC – 2</td>
<td></td>
</tr>
<tr>
<td>350 kW natural gas generator</td>
<td>X</td>
</tr>
<tr>
<td>Sound attenuation for generator to comply with Cambridge Noise</td>
<td>X</td>
</tr>
<tr>
<td>DESCRIPTION</td>
<td>ALLOCATION</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Ordinance</td>
<td>Landlord</td>
</tr>
<tr>
<td>Automatic transfer switch for Tenant load - maximum Tenant use is 4 watts per square foot of lab space</td>
<td>X</td>
</tr>
<tr>
<td>Standby power distribution within Tenant Premises</td>
<td>X</td>
</tr>
<tr>
<td>Lighting and power distribution for core areas</td>
<td>X</td>
</tr>
<tr>
<td>Lighting and power distribution for Tenant Premises</td>
<td>X</td>
</tr>
<tr>
<td>Meter socket and meter for Tenant bus tie in</td>
<td>X</td>
</tr>
<tr>
<td>Common area life safety emergency lighting/signage</td>
<td>X</td>
</tr>
<tr>
<td>Tenant Premises life safety emergency lighting/signage</td>
<td>X</td>
</tr>
<tr>
<td>Tenant panels, transformers, etc. in addition to Base Building</td>
<td>X</td>
</tr>
<tr>
<td><strong>FIRE ALARM</strong></td>
<td></td>
</tr>
<tr>
<td>Base Building fire alarm system with devices in core areas</td>
<td>X</td>
</tr>
<tr>
<td>Fire alarm sub panels and devices for Tenant Premises with integration into Base Building system</td>
<td>X</td>
</tr>
<tr>
<td>Alteration to fire alarm system to facilitate Tenant program</td>
<td>X</td>
</tr>
<tr>
<td><strong>TELEPHONE/DATA</strong></td>
<td></td>
</tr>
<tr>
<td>Underground local exchange carrier service to primary demarcation room in basement</td>
<td>X</td>
</tr>
<tr>
<td>Service from primary demarcation room to secondary demarcation room</td>
<td>X</td>
</tr>
<tr>
<td>Intermediate distribution frame rooms on floors 3 and 4, floors 1 and 2 pathways terminate directly in Tenant tel/data rooms</td>
<td>X</td>
</tr>
<tr>
<td>Pathways from secondary demarcation room to intermediate distribution frame rooms, where applicable</td>
<td>X</td>
</tr>
<tr>
<td>Tenant tel/data rooms</td>
<td>X</td>
</tr>
<tr>
<td>Pathways from secondary demarcation room directly into Tenant tel/data rooms</td>
<td>X</td>
</tr>
<tr>
<td>Tel/Data cabling from secondary demarcation room to intermediate distribution frame rooms.</td>
<td>X</td>
</tr>
<tr>
<td>Tel/Data cabling from secondary demarcation room and/or intermediate distribution frame rooms to Tenant tel/data room.</td>
<td>X</td>
</tr>
<tr>
<td>Fiber optic service for Tenant use</td>
<td>X</td>
</tr>
<tr>
<td>Tel/data infrastructure including but not limited to servers, computers, phone systems, switches, routers, MUX panels, equipment racks, ladder racks, etc.</td>
<td>X</td>
</tr>
<tr>
<td>Provisioning of circuits and service from service providers</td>
<td>X</td>
</tr>
<tr>
<td>Audio visual systems and support</td>
<td>X</td>
</tr>
<tr>
<td>Station cabling from Tenant tel/data room to all Tenant locations, within the suite and exterior to the suite, if needed</td>
<td>X</td>
</tr>
<tr>
<td><strong>SECURITY</strong></td>
<td></td>
</tr>
<tr>
<td>Card access at Building entries</td>
<td>X</td>
</tr>
<tr>
<td>Card access into or within Tenant Premises on separate Tenant installed and managed system</td>
<td>X</td>
</tr>
<tr>
<td>Video camera coverage of Tenant Premises on separate Tenant installed and managed system</td>
<td>X</td>
</tr>
<tr>
<td>Manned security station in lobby</td>
<td>X</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Number</th>
<th>Title</th>
<th>Date</th>
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<tbody>
<tr>
<td>T1</td>
<td>Title Sheet</td>
<td>10/5/09</td>
<td>3</td>
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<tr>
<td>T2.2</td>
<td>Rated Wall Plans Second Floor &amp; Mezzanine</td>
<td>10/5/09</td>
<td>3</td>
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<tr>
<td>T2.1</td>
<td>Rated Wall Plans Basement &amp; First Floor</td>
<td>10/5/09</td>
<td>3</td>
</tr>
<tr>
<td>T2.3</td>
<td>Rated Wall Plans Third &amp; Fourth Floor</td>
<td>10/5/09</td>
<td>3</td>
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<tr>
<td>T3</td>
<td>Control Area Plans</td>
<td>10/5/09</td>
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<tr>
<td>T4</td>
<td>Wall Types &amp; Column Details</td>
<td>10/5/09</td>
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<tr>
<td>T5</td>
<td>Code Analysis</td>
<td>10/5/09</td>
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<td>A1.B</td>
<td>Construction Plan Basement Floor</td>
<td>10/5/09</td>
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<td>A1.1</td>
<td>Construction Plan First Floor</td>
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### Constellation Pharmaceuticals

**Exhibit #2 to Work Letter**

**Plans and Specifications for Base Building Work**

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Exhibit #3 to Work Letter

Timeline

[attached]
EXHIBIT G TO LEASE

ACKNOWLEDGMENT OF COMMENCEMENT DATE

This ACKNOWLEDGMENT OF COMMENCEMENT DATE is made as of this 15th day of June 2010 between ARE-MA Region No. 38, LLC, a Delaware limited liability company (“Landlord”), and Constellation Pharmaceuticals, Inc., a Delaware corporation (“Tenant”), and is attached to and made a part of the Lease dated as of February 5, 2010 (the “Lease”), by and between Landlord and Tenant. Any Initially capitalized terms used but not defined herein shall have the meanings given them in the Lease.

Landlord and Tenant hereby acknowledge and agree, for all purposes of the Lease, that the Commencement Date of the Term of the Lease is June 9, 2010, the Rent Commencement Date under the Lease is November 9, 2010, and the termination date of the Term of the Lease shall be midnight on June 30, 2014. In case of a conflict between this Acknowledgment of Commencement Date and the Lease, this Acknowledgment of Commencement Date shall control for all purposes.

IN WITNESS WHEREOF, Landlord and Tenant have executed this ACKNOWLEDGMENT OF COMMENCEMENT DATE to be effective on the date first above written.

TENANT:

CONSTELLATION PHARMACEUTICALS, INC., a Delaware corporation

By: /s/ Garen Bohlin
Name: Garen Bohlin
Title: Executive VP

LANDLORD:

ARE-MA REGION NO. 38, LLC,
a Delaware limited liability corporation

By: Alexandria Real Estate Equities, L.P.,
a Delaware limited partnership, member

By: ARE-QRS Corp., a Maryland corporation, general partner

By: /s/ Eric S. Johnson
Name: Eric S. Johnson
Title: Vice President
Real Estate Legal Affairs

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CONFIDENTIAL – DO NOT COPY
EXHIBIT H TO LEASE

TENANT'S PERSONAL PROPERTY

None.

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EXHIBIT I TO LEASE

RULES AND REGULATIONS

1. The sidewalk, entries, and driveways of the Project shall not be obstructed by Tenant, or any Tenant Party, or used by them for any purpose other than ingress and egress to and from the Premises.

2. Tenant shall not place any objects, including antennas, outdoor furniture, etc., in the parking areas, landscaped areas or other areas outside of its Premises, or on the roof of the Project.

3. Except for animals assisting the disabled, no animals shall be allowed in the offices, halls, or corridors in the Project.

4. Tenant shall not disturb the occupants of the Project or adjoining buildings by the use of any radio or musical instrument or by the making of loud or improper noises.

5. If Tenant desires telegraphic, telephonic or other electric connections in the Premises, Landlord or its agent will direct the electrician as to where and how the wires may be introduced; and, without such direction, no boring or cutting of wires will be permitted. Any such installation or connection shall be made at Tenant’s expense.

6. Tenant shall not install or operate any steam or gas engine or boiler, or other mechanical apparatus in the Premises, except as specifically approved in the Lease. The use of oil, gas or inflammable liquids for heating, lighting or any other purpose is expressly prohibited. Explosives or other articles deemed extra hazardous shall not be brought into the Project.

7. Parking any type of recreational vehicles is specifically prohibited on or about the Project. Except for the overnight parking of operative vehicles, no vehicle of any type shall be stored in the parking areas at any time. In the event that a vehicle is disabled, it shall be removed within 48 hours. There shall be no “For Sale” or other advertising signs on or about any parked vehicle. All vehicles shall be parked in the designated parking areas in conformity with all signs and other markings. All parking will be open parking, and no reserved parking, numbering or lettering of individual spaces will be permitted except as specified by Landlord.

8. Tenant shall maintain the Premises free from rodents, insects and other pests.

9. Landlord reserves the right to exclude or expel from the Project any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs or who shall in any manner do any act in violation of the Rules and Regulations of the Project.

10. Tenant shall not cause any unnecessary labor by reason of Tenant’s carelessness or indifference in the preservation of good order and cleanliness. Landlord shall not be responsible to Tenant for any loss of property on the Premises, however occurring, or for any damage done to the effects of Tenant by the janitors or any other employee or person.

11. Tenant shall give Landlord prompt notice of any defects it discovers in the water, lawn sprinkler, sewage, gas pipes, electrical lights and fixtures, heating apparatus, or any other service equipment affecting the Premises.

12. Tenant shall not permit storage outside the Premises, including without limitation, outside storage of trucks and other vehicles, or dumping of waste or refuse or permit any harmful materials to be placed in any drainage system or sanitary system in or about the Premises.
13. All moveable trash receptacles provided by the trash disposal firm for the Premises must be kept in the trash enclosure areas, if any, provided for that purpose.

14. No auction, public or private, will be permitted on the Premises or the Project.

15. No awnings shall be placed over the windows in the Premises except with the prior written consent of Landlord.

16. The Premises shall not be used for lodging, sleeping or cooking (except that Tenant may use microwave ovens, toasters and coffee makers in the Premises for the benefit of Tenant’s employees and contractors in an area designated for such items, but only if the use thereof is at all times supervised by the individual using the same) or for any immoral or illegal purposes or for any purpose other than that specified in the Lease. No gaming devices shall be operated in the Premises.

17. Tenant shall ascertain from Landlord the maximum amount of electrical current which can safely be used in the Premises, taking into account the capacity of the electrical wiring in the Project and the Premises and the needs of other tenants, and shall not use more than such safe capacity. Landlord’s consent to the installation of electric equipment shall not relieve Tenant from the obligation not to use more electricity than such safe capacity.

18. Tenant assumes full responsibility for protecting the Premises from theft, robbery and pilferage.

19. Tenant shall not install or operate on the Premises any machinery or mechanical devices of a nature not directly related to Tenant’s ordinary use of the Premises and shall keep all such machinery free of vibration, noise and air waves which may be transmitted beyond the Premises.
NOTIFICATION OF THE PRESENCE OF ASBESTOS CONTAINING MATERIALS

This notification provides certain information about asbestos within or about the Premises at 215 First Street, Cambridge, MA ("Building").

Historically, asbestos was commonly used in building products used in the construction of buildings across the country. Asbestos-containing building products were used because they are fire-resistant and provide good noise and temperature insulation. Because of their prevalence, asbestos-containing materials, or ACMs, are still sometimes found in buildings today.

No ACMs were identified in an asbestos survey of the building conducted in 2007. However, to avoid damage, several materials were not sampled and are presumed asbestos-containing materials or PACMs as listed in the following table:

<table>
<thead>
<tr>
<th>Material Description</th>
<th>Material Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ceramic tile adhesive and grout</td>
<td>Throughout restrooms; ground floor hallways; first floor lobby and hallways</td>
</tr>
<tr>
<td>Built-up roofing beneath rubber</td>
<td>Throughout roof</td>
</tr>
<tr>
<td>Flashing cement</td>
<td>Roof</td>
</tr>
<tr>
<td>Rex connectors on HVAC units</td>
<td>Roof</td>
</tr>
</tbody>
</table>

The PACMs described above were observed to be in good condition and may be managed in place. Because ACMs may be present within or about the Building, we have hired an independent environmental consulting firm to prepare an operations and maintenance program ("O&M Program"). The O&M Program is designed to minimize the potential of any harmful asbestos exposure to any person within or about the Building. The O&M Program includes a description of work methods to be taken in order to maintain any ACMs or PACMs within or about the Building in good condition and to prevent any significant disturbance of such ACMs or PACMs. Appropriate personnel receive regular periodic training on how to properly administer the O&M Program.

The O&M Program describes the risks associated with asbestos exposure and how to prevent such exposure through appropriate work practices. ACMs and PACMs generally are not thought to be a threat to human health unless asbestos fibers are released into the air and inhaled. This does not typically occur unless (1) the ACMs are in a deteriorating condition, or (2) the ACMs have been significantly disturbed (such as through abrasive cleaning, or maintenance or renovation activities). If inhaled, asbestos fibers can accumulate in the lungs and, as exposure increases, the risk of disease (such as asbestosis or cancer) increases. However, measures to minimize exposure, and consequently minimize the accumulation of asbestos fibers, reduce the risks of adverse health effects.

The O&M Program describes a number of activities that should be avoided in order to prevent a release of asbestos fibers. In particular, you should be aware that some of the activities which may present a health risk include moving, drilling, boring, or otherwise disturbing ACMs. Consequently, such activities should not be attempted by any person not qualified to handle ACMs.

The O&M Program is available for review during regular business hours at Landlord’s office located at 700 Technology Square, Suite 302, Cambridge, MA 02139.

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### 215 First Street 2010 Estimated Oper. & Tax Exp.
Based on 366,509 SF

<table>
<thead>
<tr>
<th>Expense</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate Taxes -</td>
<td>$3.27 PSF</td>
</tr>
<tr>
<td><strong>Building Operating</strong></td>
<td></td>
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<tr>
<td>Payroll</td>
<td>$585,000</td>
</tr>
<tr>
<td>Insurance</td>
<td>$115,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>$1,060,000</td>
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<tr>
<td>Contract Service</td>
<td>$610,000</td>
</tr>
<tr>
<td>Repairs</td>
<td>$530,000</td>
</tr>
<tr>
<td>Admin Exp &amp; MGR Fee</td>
<td>$255,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$3,155,000</td>
</tr>
<tr>
<td><strong>Building Operating Expense -</strong></td>
<td>8.61 PSF</td>
</tr>
<tr>
<td><strong>Science Area Operating Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Rentable Square feet</td>
<td>87,669</td>
</tr>
<tr>
<td>Added HVAC Equipment Service</td>
<td>$25,000</td>
</tr>
<tr>
<td>Utilities (to be sub metered separately)</td>
<td>$575,000</td>
</tr>
<tr>
<td>Pure Water</td>
<td>$16,250</td>
</tr>
<tr>
<td>Generator Contract</td>
<td>$1,000</td>
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<tr>
<td>Janitorial</td>
<td>$96,436</td>
</tr>
<tr>
<td>Misc. Contract</td>
<td>$131,504</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td>$845,189</td>
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<tr>
<td><strong>Subtotal Science Area</strong></td>
<td>9.64 PSF</td>
</tr>
<tr>
<td><strong>Total Tax and Operating Expense</strong></td>
<td>$21.52 PSF</td>
</tr>
</tbody>
</table>
FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (this “First Amendment”) is made as of October 25, 2011, by and between ARE-MA REGION NO. 38, LLC, a Delaware limited liability company (“Landlord”), and CONSTELLATION PHARMACEUTICALS, INC., a Delaware corporation (“Tenant”).

RECITALS

A. Landlord and Tenant are parties to that certain Lease Agreement dated as of February 5, 2010 (the “Lease”). Pursuant to the Lease, Tenant leases certain premises consisting of approximately 34,606 rentable square feet (“Original Premises”) in a building located at 215 First Street, Cambridge, Massachusetts. The Original Premises are more particularly described in the Lease. Capitalized terms used herein without definition shall have the meanings defined for such terms in the Lease.

B. Landlord and Tenant desire, subject to the terms and conditions set forth below, to amend the Lease to, among other things, expand the size of the Premises by adding approximately 5,259 rentable square feet.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, the mutual promises and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Expansion Premises. In addition to the Original Premises, commencing on the Expansion Premises Commencement Date (as defined below), Landlord leases to Tenant, and Tenant leases from Landlord, that certain portion of the first floor of the Building consisting of approximately 5,259 rentable square feet, as shown on Exhibit A attached hereto (the “Expansion Premises”).

2. Delivery. The “Expansion Premises Commencement Date” shall be the date that is 1 day after the mutual execution and delivery of this First Amendment by the parties. The “Expansion Premises Rent Commencement Date” shall be January 1, 2012. Upon request of Landlord, Tenant shall execute and deliver a written acknowledgment of the Expansion Premises Commencement Date and the Expansion Premises Rent Commencement Date in a form substantially similar to the form of the “Acknowledgement of Commencement Date” attached to the Lease as Exhibit G; provided, however, Tenant’s failure to execute and deliver such acknowledgment shall not affect Landlord’s rights hereunder.

Landlord has agreed to provide Tenant with a tenant improvement allowance of up to $184,065 for the construction of fixed and permanent improvements in the Expansion Premises (“Tenant Improvements”). Tenant may elect to (i) have Landlord construct the Tenant Improvements pursuant to the Expansion Premises Work Letter – Landlord Build attached to this First Amendment as Exhibit B or (ii) construct the Tenant Improvements itself pursuant to the Expansion Premises Work Letter – Tenant Build attached to this First Amendment as Exhibit C. Tenant shall notify Landlord of its election in writing on or before the date that is 30 months following the Expansion Premises Commencement Date. If Tenant does not timely notify Landlord or its election, Tenant shall be deemed to have elected to construct the Tenant Improvements itself pursuant to the Expansion Premises Work Letter – Tenant Build attached to this First Amendment as Exhibit C.

Tenant acknowledges that if Tenant elects to have Landlord construct the Tenant Improvements, Landlord shall require access to portions of the Expansion Premises after the Expansion Premises Commencement Date in order to complete the Tenant Improvements pursuant to the Work Letter attached to this First Amendment as Exhibit B. Landlord and its contractors and agents shall have the right to enter the Expansion Premises to complete the Tenant Improvements.
Improvements and Tenant shall cooperate with Landlord in connection with the same. Tenant acknowledges that Landlord’s completion of the Tenant Improvements may adversely affect Tenant’s use and occupancy of the Expansion Premises. Tenant waives all claims against Landlord in connection with the Tenant Improvements including, without limitation, claims for rent abatement.

For the period commencing on the Expansion Premises Commencement Date and continuing through January 31, 2012, Landlord shall, at its sole cost and expense (which shall not constitute an Operating Expense), be responsible for any repairs that are required to be made to the Building Systems serving the Expansion Premises (including, without limitation, any such Building Systems located exclusively within the Expansion Premises), unless Tenant or any Tenant Party was responsible for the cause of such repair, in which case Tenant shall pay the cost.

Except as set forth in this First Amendment or in the applicable Expansion Premises Work Letter: (i) Tenant shall accept the Expansion Premises in their condition as of the Expansion Premises Commencement Date, subject to all applicable Legal Requirements; (ii) Landlord shall have no obligation for any defects in the Expansion Premises; and (iii) Tenant’s taking possession of the Expansion Premises shall be conclusive evidence that Tenant accepts the Expansion Premises and that the Expansion Premises were in good condition at the time possession was taken.

Tenant agrees and acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of all or any portion of the Expansion Premises, and/or the suitability of the Expansion Premises for the conduct of Tenant’s business, and Tenant waives any implied warranty that the Expansion Premises are suitable for the Permitted Use.

3. **Definition of Premises.** Commencing on the Expansion Premises Commencement Date, the defined term “Premises” on page 1 of the Lease is deleted in its entirety and replaced with the following:

   “Premises: That portion of the Building containing approximately 39,865 rentable square feet, consisting of (i) a portion of the 1st and 2nd floors of the Building, containing approximately 34,606 rentable square feet (the “Original Premises”), and (ii) Suite 150 containing approximately 5,259 rentable square feet (the “Expansion Premises”), all as determined by Landlord, as shown on Exhibit A. The Original Premises and the Expansion Premises shall be collectively referred to herein as the “Premises”.

   As of the Expansion Premises Commencement Date, Exhibit A to the Lease shall be amended to include the Expansion Premises as shown on Exhibit A attached to this First Amendment.

4. **Base Term.** Commencing on the Expansion Premises Commencement Date, the defined term “Base Term” on page 1 of the Lease is deleted in its entirety and replaced with the following:

   “Base Term: A term beginning (i) with respect to the Original Premises, on the Commencement Date, and ending on June 30, 2014, and (ii) with respect to the Expansion Premises, on the Expansion Premises Commencement Date, and ending on September 30, 2015.”

5. **Base Rent.**

   a. **Original Premises.** Tenant shall continue to pay Base Rent for the Original Premises as provided for in the Lease through the through the expiration date of the Lease with respect to the Original Premises.
b. Expansion Premises. Commencing on the Expansion Premises Rent Commencement Date, Tenant shall pay Base Rent for the Expansion Premises in the amount of $47.00 per rentable square foot of the Expansion Premises per year, which shall be payable in advance, without demand, abatement, deduction or set-off, in equal monthly installments on or before the first day of each calendar month during the Term, in lawful money of the United States of America. The “EP Rent Adjustment Percentage” shall mean the greater of 4% or the CPI Adjustment Percentage. Base Rent for the Expansion Premises shall be increased on each annual anniversary of the Expansion Premises Commencement Date (each an “EP Adjustment Date”) by multiplying the Base Rent payable for the Expansion Premises immediately before such EP Adjustment Date by the EP Rent Adjustment Percentage and adding the resulting amount to the Base Rent payable for the Expansion Premises immediately before such Adjustment Date. Base Rent, as so adjusted, shall thereafter be due as provided herein. Base Rent adjustments for any fractional calendar month shall be prorated. “CPI Adjustment Percentage” means (i) a fraction, stated as a percentage, the numerator of which shall be the Index for the calendar month 3 months before the month in which the Adjustment Date occurs, and the denominator of which shall be the Index for the calendar month 3 months before the last Adjustment Date or, if no prior Base Rent adjustment has been made, 3 months before the first day of the first full month during the Term of this Lease with respect to the Expansion Premises, less (ii) 1.00. “Index” means the “Consumer Price Index-All Urban Consumers-Boston-Brockton-Nashua, MA-NH-ME-CT” compiled by the U.S. Department of Labor, Bureau of Labor Statistics, (1982-84 = 100). If a substantial change is made in the Index, the revised Index shall be used, subject to such adjustments as Landlord may reasonably deem appropriate in order to make the revised Index comparable to the prior Index. If the Bureau of Labor Statistics ceases to publish the Index, then the successor or most nearly comparable index, as reasonably determined by Landlord, shall be used, subject to such adjustments as Landlord may reasonably deem appropriate in order to make the new index comparable to the Index. Landlord shall give Tenant written notice indicating the Base Rent, as adjusted pursuant to this Section, and the method of computation and Tenant shall pay to Landlord an amount equal to any underpayment of Base Rent by Tenant within 15 days of Landlord’s notice to Tenant. Failure to deliver such notice shall not reduce, abate, waive or diminish Tenant’s obligation to pay the adjusted Base Rent.

Notwithstanding anything to the contrary contained herein, commencing on the Expansion Premises Rent Commencement Date through the expiration of the 6th month after the Expansion Premises Commencement Date (“EP Base Rent Reduction Period”), Tenant shall only be required to pay Base Rent with respect to 4,000 rentable square feet of the Expansion Premises. Tenant shall commence paying Base Rent with respect to the entire Expansion Premises on the 1st day of the 7th month following the Expansion Premises Commencement Date. Tenant shall continue to pay Base Rent as required under the Lease with respect to the entire Original Premises throughout the EP Base Rent Reduction Period.

6. Security Deposit. Commencing on the date of this First Amendment, the defined term “Security Deposit” on page 1 of the Lease is hereby deleted in its entirety and replaced with the following:

“Security Deposit: $283,242.00”

Concurrently with Tenant’s delivery to Landlord of an executed original of this First Amendment, Tenant shall deliver to Landlord an amended Letter of Credit which increases the amount of the existing Letter of Credit being held by Landlord to $283,242.00 or an additional Letter of Credit in the amount of $41,000.00.

7. Rentable Area of the Premises. Commencing on the Expansion Premises Commencement Date, the defined term “Rentable Area of the Premises” on page 1 of the Lease is deleted in its entirety and replaced with the following:

“Rentable Area of the Premises: 39,865 sq. ft.”
8. **Tenant’s Share.** Commencing on the Expansion Premises Commencement Date, the defined terms “Tenant's Share” and “Tenant’s Percentage Share (Science Facility)” on page 1 of the Lease are deleted in their entirety and replaced with the following:

   “Tenant's Share: 10.87%
   Tenant’s Percentage Share (Science Facility): 46.86%”

9. **Parking.** In addition to the parking provided for in Section 8 of the Lease, subject to all matters of record Force Majeure, a casualty or Taking and the exercise by Landlord or its rights under the Lease, Landlord shall make available to Tenant at the then-current market rates from time to time a license for 5 additional parking spaces (“Additional Parking Spaces”) in the surface parking lots at the Project or at the “Brown Lot” at 100 Binney Street, Cambridge, Massachusetts, all of such parking spaces being on a non-reserved basis. As of the date of this First Amendment, the market rate for such Additional Parking Spaces in such surface lots is $220 per Additional Parking Space per month. The Additional Parking Spaces shall otherwise be subject to the terms of Section 8 of the Lease.

10. **Right to Extend Term With Respect to Expansion Premises.**

    a. **Expansion Premises Extension Right.** Tenant shall have one-time right (the “Expansion Premises Extension Right”) to extend the term of the Lease with respect to the Expansion Premises for a period of 21 months (the “Expansion Premises Extension Term”) on the same terms and conditions as the Lease (other than Base Rent payable with respect to the Expansion Premises and the Expansion Premises Work Letter) by giving Landlord written notice of its election concurrent with Tenant’s election to exercise its Extension Right pursuant to Section 35 of the Lease with respect to the Original Premises. Notwithstanding anything to the contrary contained herein, in no event may Tenant exercise its Expansion Premises Extension Right unless Tenant concurrently exercises its Extension Right with respect to the Original Premises. Promptly after receipt of Tenant’s exercise notice, Landlord shall provide Tenant with Landlord’s determination of the Market Rate for the Expansion Premises for the Expansion Premises Extension Term.

    Upon the commencement of the Expansion Premises Extension Term, Base Rent for the Expansion Premises shall be payable at the Market Rate (as defined in Section 35 of the Lease) for the Expansion Premises. Base Rent for the Expansion Premises shall thereafter be adjusted on each annual anniversary of the commencement of such Expansion Premises Extension Term by the EP Rent Adjustment Percentage as provided in Section 5 above. The Market Rate with respect to the Expansion Premises shall be determined pursuant to the procedure set forth in Section 35(b) with respect to the Market Rate for the Original Premises concurrent with the determination of the Market Rate with respect to the Original Premises.

    b. **Rights Personal.** The Expansion Premises Extension Right is personal to Tenant (and successors pursuant to a Permitted Assignment) and not assignable without Landlord’s consent, which may be granted or withheld in Landlord’s sole discretion separate and apart from any consent by Landlord to an assignment of Tenant’s interest in the Lease.

    c. **Exceptions.** Notwithstanding anything set forth above to the contrary, the Expansion Premises Extension Right shall, at Landlord’s option, not be in effect and Tenant may not exercise the Expansion Premises Extension Right:

       (i) during any period of time that Tenant is in Default under any provision of the Lease; or
(ii) if Tenant has been in Default under any provision of the Lease 3 or more times, whether or not the Defaults are cured, during the 12
month period immediately prior to the date that Tenant intends to exercise the Expansion Premises Extension Right, whether or not the Defaults are cured.

(iii) if Tenant (including any successor pursuant to one or more Permitted Assignment(s)) is not in occupancy of at least 75% of the entire
Premises demised under the Lease both at the time of the exercise of the Expansion Premises Extension Right and at the time of the
commencement date of the Expansion Premises Extension Term.

d. No Extensions. The period of time within which the Expansion Premises Extension Right may be exercised shall not be extended or enlarged by
reason of Tenant’s inability to exercise the Expansion Premises Extension Right.

e. Termination. The Expansion Premises Extension Right shall, at Landlord’s option, terminate and be of no further force or effect even after Tenant’s
due and timely exercise of the Expansion Premises Extension Right, if, after such exercise, but prior to the commencement date of the Expansion
Premises Extension Term, (i) Tenant fails to timely cure any default by Tenant under this Lease; or (ii) Tenant has Defaulted 3 or more times during the
period from the date of the exercise of the Expansion Premises Extension Right to the date of the commencement of the Expansion Premises Extension
Term, whether or not such Defaults are cured.

11. Brokers. Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, “Broker”) in
connection with the transaction reflected in this First Amendment and that no Broker brought about this transaction, other than Richards Barry Joyce &
Partners. Landlord and Tenant each hereby agrees to indemnify and hold the other harmless from and against any claims by any Broker claiming a
commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction.
Landlord shall pay any commission due to Richards Barry Joyce & Partners pursuant to a separate written agreement.

12. Miscellaneous.

a. This First Amendment is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and
contemporaneous oral and written agreements and discussions. This First Amendment may be amended only by an agreement in writing, signed by the
parties hereto.

b. This First Amendment is binding upon and shall inure to the benefit of the parties hereto, their respective agents, employees, representatives,
officers, directors, divisions, subsidiaries, affiliates, assigns, heirs, successors in interest and shareholders.

c. This First Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken
together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal
effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature
pages executed by other parties to this First Amendment attached thereto.
d. Except as amended and/or modified by this First Amendment, the Lease is hereby ratified and confirmed and all other terms of the Lease shall remain in full force and effect, unaltered and unchanged by this First Amendment. In the event of any conflict between the provisions of this First Amendment and the provisions of the Lease, the provisions of this First Amendment shall prevail. Whether or not specifically amended by this First Amendment, all of the terms and provisions of the Lease are hereby amended to the extent necessary to give effect to the purpose and intent of this First Amendment.

[Signatures are on the next page.]
IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the day and year first above written.

TENANT:

CONSTELLATION PHARMACEUTICALS, INC.,
a Delaware corporation

By: /s/ Garen Bohlin
Its: Executive Vice President

LANDLORD:

ARE-MA REGION NO. 38, LLC, a Delaware limited liability corporation

By: Alexandria Real Estate Equities, L.P.,
a Delaware limited partnership, managing member

By: ARE-QRS Corp., a Maryland corporation, general partner

By: /s/ Eric S. Johnson
Its: Eric S. Johnson
Vice President
Real Estate Legal Affairs
The Expansion Premises
THIS EXPANSION PREMISES WORK LETTER dated October 25, 2011 (this “Expansion Premises Work Letter”) is made and entered into by and between ARE-MA REGION NO. 38, LLC, a Delaware limited liability company (“Landlord”), and CONSTELLATION PHARMACEUTICALS, INC., a Delaware corporation (“Tenant”), and is attached to and made a part of the Lease Agreement dated February 5, 2010, as amended by that certain First Amendment to Lease dated as of October 25, 2011 (as amended, the “Lease”), by and between Landlord and Tenant. Any initially capitalized terms used but not defined herein shall have the meanings given them in the Lease.

1. General Requirements.

(a) Tenant’s Authorized Representative. Tenant designates Garen Bohlin and Arthur Brumell (either such individual acting alone, “Tenant’s Representative”) as the only persons authorized to act for Tenant pursuant to this Expansion Premises Work Letter. Landlord shall not be obligated to respond to or act upon any request, approval, inquiry or other communication (“Communication”) from or on behalf of Tenant in connection with this Expansion Premises Work Letter unless such Communication is in writing from Tenant’s Representative. Tenant may change either Tenant’s Representative at any time upon not less than 5 business days advance written notice to Landlord. Neither Tenant nor Tenant’s Representative shall be authorized to direct Landlord’s contractors in the performance of Landlord’s Work (as hereinafter defined).

(b) Landlord’s Authorized Representative. Landlord designates Jeff McComish and Joseph Maguire (either such individual acting alone, “Landlord’s Representative”) as the only persons authorized to act for Landlord pursuant to this Expansion Premises Work Letter. Tenant shall not be obligated to respond to or act upon any request, approval, inquiry or other Communication from or on behalf of Landlord in connection with this Expansion Premises Work Letter unless such Communication is in writing from Landlord’s Representative. Landlord may change either Landlord’s Representative at any time upon not less than 5 business days advance written notice to Tenant. Landlord’s Representative shall be the sole persons authorized to direct Landlord’s contractors in the performance of Landlord’s Work.

(c) Architects, Consultants and Contractors. Landlord and Tenant hereby acknowledge and agree that: (i) the general contractor and any subcontractors for the Tenant Improvements shall be selected by Landlord, subject to Tenant’s approval, which approval shall not be unreasonably withheld, conditioned or delayed, and (ii) R.E. Dinneen Architects & Planners, Inc. shall be the architect (the “TI Architect”) for the Tenant Improvements.

2. Tenant Improvements.

(a) Tenant Improvements Defined. As used herein, “Tenant Improvements” shall mean all improvements to the Expansion Premises of a fixed and permanent nature as shown on the TI Construction Drawings, as defined in Section 2(c) below. Other than Landlord’s Work (as defined in Section 3(a) below, Landlord shall not have any obligation whatsoever with respect to the finishing of the Expansion Premises for Tenant’s use and occupancy.

(b) Tenant’s Space Plans. Tenant shall deliver to Landlord and the TI Architect schematic drawings and outline specifications (the “TI Design Drawings”) detailing Tenant’s requirements for the Tenant Improvements. Not more than 10 days thereafter, Landlord shall deliver to Tenant the written objections, questions or comments of Landlord and the TI Architect with regard to the TI Design Drawings. Tenant shall cause the TI Design Drawings to be revised to address such written comments and shall resubmit said drawings to Landlord for approval within 5 days thereafter. Such process shall...
continue until Landlord has approved the TI Design Drawings. Following Landlord’s approval of the TI Design Drawings, Landlord shall deliver to Tenant a preliminary Budget (as defined in Section 5(a)) for Tenant’s review and Landlord and Tenant agree to work together to achieve a Budget for the Tenant Improvements based on the TI Space Plans TI Construction Drawings (as defined below) reasonably acceptable to both Tenant and Landlord.

(c) Working Drawings. Not later than 10 business days following the approval of the TI Design Drawings, Landlord shall cause the TI Architect to prepare and deliver to Tenant for review and comment construction plans, specifications and drawings for the Tenant Improvements (“TI Construction Drawings”), which TI Construction Drawings shall be prepared substantially in accordance with the TI Design Drawings. Tenant shall be solely responsible for ensuring that the TI Construction Drawings reflect Tenant’s requirements for the Tenant Improvements. Tenant shall deliver its written comments on the TI Construction Drawings to Landlord not later than 10 business days after Tenant’s receipt of the same; provided, however, that Tenant may not disapprove any matter that is consistent with the TI Design Drawings without submitting a Change Request. Landlord and the TI Architect shall consider all such comments in good faith and shall, within 10 business days after receipt, notify Tenant how Landlord proposes to respond to such comments, but Tenant’s review rights pursuant to the foregoing sentence shall not delay the design or construction schedule for the Tenant Improvements. Any disputes in connection with such comments shall be resolved in accordance with Section 2(d) hereof. Provided that the design reflected in the TI Construction Drawings is consistent with the TI Design Drawings, Tenant shall approve the TI Construction Drawings submitted by Landlord, unless Tenant submits a Change Request. Once approved by Tenant, subject to the provisions of Section 4 below, Landlord shall not materially modify the TI Construction Drawings except as may be reasonably required in connection with the issuance of the TI Permit (as defined in Section 3(b) below). Landlord shall notify Tenant of any such material modifications as may be reasonably required in connection with the issuance of the TI Permit.

(d) Approval and Completion. Upon any dispute regarding the design of the Tenant Improvements, which is not settled within 10 business days after notice of such dispute is delivered by one party to the other, Tenant may make the final decision regarding the design of the Tenant Improvements, provided (i) Tenant acts reasonably and such final decision is either consistent with the TI Design Drawings or a compromise between Landlord’s and Tenant’s positions with respect to such dispute, (ii) that all costs and expenses resulting from any such decision by Tenant shall be payable out of the TI Fund (as defined in Section 5(d) below), and (iii) Tenant’s decision will not affect the base Building, structural components of the Building or any Building systems. Any changes to the TI Construction Drawings following Landlord’s and Tenant’s approval of same requested by Tenant shall be processed as provided in Section 4 hereof.


(a) Definition of Landlord’s Work. As used herein, “Landlord’s Work” shall mean the work of constructing the Tenant Improvements.

(b) Commencement and Permitting. Landlord shall commence construction of the Tenant Improvements upon obtaining a building permit (the “TI Permit”) authorizing the construction of the Tenant Improvements consistent with the TI Construction Drawings approved by Tenant. Prior to commencing construction of the Tenant Improvements, Landlord shall deliver to Tenant for Tenant’s review, Landlord’s initial schedule for the construction of the Tenant Improvements. The cost of obtaining the TI Permit shall be payable from the TI Fund. Tenant shall assist Landlord in obtaining the TI Permit. If any Governmental Authority having jurisdiction over the construction of Landlord’s Work or any portion thereof shall impose terms or conditions upon the construction thereof that: (i) are inconsistent with Landlord’s obligations hereunder, (ii) increase the cost of constructing Landlord’s Work, or (iii) will materially delay the construction of Landlord’s Work, Landlord and Tenant shall reasonably and in good faith seek means by which to mitigate or eliminate any such adverse terms and conditions.
(c) **Completion of Landlord’s Work.** Landlord shall substantially complete or cause to be substantially completed Landlord’s Work in a good and workmanlike manner, in accordance with the TI Permit and applicable Legal Requirements subject, in each case, to Minor Variations and normal “punch list” items of a non-material nature that do not interfere with the use of the Expansion Premises (“Substantial Completion” or “Substantially Complete”). Upon Substantial Completion of Landlord’s Work, Landlord shall require the TI Architect and the general contractor to execute and deliver, for the benefit of Tenant and Landlord, a Certificate of Substantial Completion in the form of the American Institute of Architects (“AIA”) document G704. If required by applicable Legal Requirements, a certificate of occupancy (which may include a conditional certificate of occupancy) for the Tenant Improvements or permission to occupy issued by the applicable Governmental Authority or municipal official in the issuance of such certificate of occupancy or permission to occupy, which delay arises from or relates to work by Tenant or its contractors, shall operate to delay Substantial Completion. For purposes of this Expansion Premises Work Letter, “Minor Variations” shall mean any modifications reasonably required: (i) to comply with all applicable Legal Requirements and/or to obtain or to comply with any required permit (including the TI Permit); (ii) to comply with any request by Tenant for modifications to Landlord’s Work; (iii) to comport with good design, engineering, and construction practices that are not material; or (iv) to make reasonable adjustments for field deviations or conditions encountered during the construction of Landlord’s Work.

(d) **Selection of Materials.** Where more than one type of material or structure is indicated on the TI Construction Drawings approved by Landlord and Tenant, the option will be selected at Landlord’s sole and absolute subjective discretion. As to all building materials and equipment that Landlord is obligated to supply under this Expansion Premises Work Letter, Landlord shall select the manufacturer thereof in its sole and absolute subjective discretion.

(e) **Acceptance of Landlord’s Work.** When Landlord’s Work is Substantially Complete, subject to the remaining terms and provisions of this Section 3(e), Tenant shall accept Landlord’s Work. Tenant’s acceptance of Landlord’s Work shall not constitute a waiver of: (i) any warranty with respect to workmanship (including installation of equipment) or material (exclusive of equipment provided directly by manufacturers), (ii) any non-compliance of Landlord’s Work with applicable Legal Requirements, or (iii) any claim that Landlord’s Work was not completed substantially in accordance with the TI Construction Drawings (subject to Minor Variations and such other changes as are permitted hereunder) (collectively, a “Construction Defect”). Tenant shall have one year after Substantial Completion within which to notify Landlord of any such Construction Defect discovered by Tenant, and Landlord shall use reasonable efforts to remedy or cause the responsible contractor to remedy any such Construction Defect within 30 days thereafter; provided, however, that Landlord shall not be in default under the Lease if the applicable contractor, despite Landlord’s reasonable efforts, fails to remedy such Construction Defect within such 30-day period, in which case Landlord shall continue to use reasonable efforts to cause such contractor to remedy such Construction Defect.

Tenant shall be entitled to receive the benefit of all construction warranties and manufacturer’s equipment warranties relating to equipment installed in the Expansion Premises. If requested by Tenant, Landlord shall attempt to obtain extended warranties from manufacturers and suppliers of such equipment, but the cost of any such extended warranties shall be borne solely out of the TI Fund. Landlord shall promptly undertake and complete, or cause to be completed, all punch list items in a manner that does not materially adversely affect Tenant’s use of the Expansion Premises for the Permitted Use.

4. **Changes.** Any changes requested by Tenant to the Tenant Improvements after the delivery and approval by Landlord of the Space Plan shall be requested and instituted in accordance with the provisions of this Section 4 and shall be subject to the written approval of Landlord and the TI Architect, such approval not to be unreasonably withheld, conditioned or delayed.
(a) Tenant’s Request For Changes. If Tenant shall request changes to the Tenant Improvements ("Changes"), Tenant shall request such Changes by notifying Landlord in writing in substantially the same form as the AIA standard change order form (a "Change Request"), which Change Request shall detail the nature and extent of any such Change. Such Change Request must be signed by Tenant’s Representative. Landlord, before proceeding with any Change, use commercially reasonable efforts to respond to Tenant as soon as is reasonably possible with an estimate of: (i) the time it will take, and (ii) the architectural and engineering fees and costs that will be incurred, to analyze such Change Request (which costs shall be paid from the TI Fund to the extent actually incurred, whether or not such change is implemented). Landlord shall thereafter submit to Tenant in writing, within 5 business days of receipt of the Change Request (or such longer period of time as is reasonably required depending on the extent of the Change Request), an analysis of the additional cost or savings involved, including, without limitation, architectural and engineering costs and the period of time, if any, that the Change will extend the date on which Landlord’s Work will be Substantially Complete. Any such delay in the completion of Landlord’s Work caused by a Change, including any suspension of Landlord’s Work, to the extent reasonably required, while any such Change is being evaluated and/or designed, shall be a delay caused by Tenant.

(b) Implementation of Changes. If Tenant: (i) approves in writing the cost or savings and the estimated extension in the time for completion of Landlord’s Work, if any, and (ii) deposits with Landlord any Excess TI Costs required in connection with such Change, Landlord shall cause the approved Change to be instituted. Notwithstanding any approval or disapproval by Tenant of any estimate of the delay caused by such proposed Change, the TI Architect’s determination of the amount of the delay caused by Tenant in connection with such Change shall be final and binding on Landlord and Tenant.

5. Costs.

(a) Budget For Tenant Improvements. Before the commencement of construction of the Tenant Improvements, Landlord shall obtain a finalized detailed breakdown by trade of the costs incurred or that will be incurred in connection with the design and construction of the Tenant Improvements (the “Budget”). The Budget shall be based upon the TI Construction Drawings approved by Tenant and shall include a payment to Landlord of administrative rent (“Administrative Rent”) equal to 3% of the TI Costs for monitoring and inspecting the construction of the Tenant Improvements and Changes, which sum shall be payable from the TI Fund (as defined in Section 5(d)) and which 3% Administrative Rent charge shall cover all out-of-pocket costs, expenses and fees incurred by or on behalf of Landlord arising from, out of, or in connection with monitoring the construction of the Tenant Improvements and Changes. If the Budget is greater than the TI Allowance, Tenant shall deposit with Landlord the difference, in cash, prior to the commencement of construction of the Tenant Improvements or Changes, for disbursement by Landlord as described in Section 5(d).

(b) TI Allowance. Landlord shall provide to Tenant a tenant improvement allowance (the “TI Allowance”) of $35.00 per rentable square foot of the Expansion Premises, or $184,065 in the aggregate. Within 5 business days after receipt of the Budget from Landlord, Tenant shall notify Landlord how much of the TI Allowance Tenant has elected to receive from Landlord for the Tenant Improvements. The TI Allowance shall be disbursed in accordance with this Expansion Premises Work Letter.

Tenant shall have no right to the use or benefit (including any reduction to or payment of Base Rent) of any portion of the TI Allowance not required for the construction of (i) the Tenant Improvements described in the TI Construction Drawings approved pursuant to Section 2(d); or (ii) any Changes pursuant to Section 4; provided, however, if any TI Allowance remains following the completion of the Tenant Improvements and payment of all costs in connection therewith, Tenant shall have the right to use such remaining TI Allowance, for the construction of subsequent Alterations made by Tenant to the Premises in accordance with Section 12 of the Lease; provided, however, that in no event shall Tenant be entitled to use any portion of the TI Allowance in excess of $78,885.00 for Alterations in the Original Premises. Notwithstanding anything to the contrary contained herein, Tenant shall have no right to any portion of the TI Allowance that is not requested in writing before the last day of the month that is 36 months after the Expansion Premises Commencement Date.
(c) **Costs Includable in TI Fund.** The TI Fund shall be used solely for the payment of design, permits and construction costs in connection with the construction of the Tenant Improvements, including, without limitation, the cost of electrical power and other utilities used in connection with the construction of the Tenant Improvements, the cost of preparing the TI Design Drawings and the TI Construction Drawings, all costs set forth in the Budget, including Landlord’s Administrative Rent, Landlord’s out-of-pocket expenses, costs resulting from delays caused by Tenant and the cost of Changes (collectively, “TI Costs”). Notwithstanding anything to the contrary contained herein, the TI Fund shall not be used to purchase any furniture, personal property or other non-Building system materials or equipment, including, but not limited to, Tenant’s voice or data cabling, non-ducted biological safety cabinets and other scientific equipment not incorporated into the Tenant Improvements.

(d) **Excess TI Costs.** Landlord shall have no obligation to bear any portion of the cost of any of the Tenant Improvements except to the extent of the TI Allowance. If at any time the remaining TI Costs under the Budget exceed the remaining unexpended TI Allowance, Tenant shall deposit with Landlord, as a condition precedent to Landlord’s obligation to complete the Tenant Improvements, 100% of the then current TI Cost in excess of the remaining TI Allowance (“Excess TI Costs”). If Tenant fails to deposit any Excess TI Costs with Landlord, Landlord shall have all of the rights and remedies set forth in the Lease for nonpayment of Rent (including, but not limited to, the right to interest at the Default Rate and the right to assess a late charge). For purposes of any litigation instituted with regard to such amounts, those amounts will be deemed Rent under the Lease. The TI Allowance and Excess TI Costs are herein referred to as the “TI Fund.” Funds deposited by Tenant shall be the first disbursed to pay TI Costs. Notwithstanding anything to the contrary set forth in this Section 5(d), Tenant shall be fully and solely liable for TI Costs and the cost of Minor Variations in excess of the TI Allowance. Subject to the terms of Section 5(b) above, if upon Substantial Completion of the Tenant Improvements and the payment of all sums due in connection therewith there remains any undisbursed portion of the TI Fund, Tenant shall be entitled to such undisbursed TI Fund solely to the extent of any Excess TI Costs deposit Tenant has actually made with Landlord.

6. **Tenant Access.**

(a) **Tenant’s Access Rights.** Subject to applicable Legal Requirements, Tenant shall have the right to continue to occupy those portions of the Expansion Premises which are not subject to the construction of the Tenant Improvements, at Tenant’s sole risk and expense, during the construction of the Tenant Improvements. Tenant shall cooperate with Landlord in connection with the performance of the Tenant Improvements. Tenant acknowledges that the Tenant Improvements may adversely affect Tenant’s use and occupancy of the Expansion Premises during the construction of the Tenant Improvements.

(b) **No Interference.** Neither Tenant nor any Tenant Party (as defined in the Lease) shall interfere with the performance of Landlord’s Work, nor with any inspections or issuance of final approvals by applicable Governmental Authorities, and upon any such interference, Landlord shall have the right to exclude Tenant and any Tenant Party from the Expansion Premises until Substantial Completion of Landlord’s Work.

(c) **No Acceptance of Expansion Premises.** The fact that Tenant may, with Landlord’s consent, enter into the Project prior to the date Landlord’s Work is Substantially Complete for the purpose of performing Tenant’s Work shall not be deemed an acceptance by Tenant of possession of the Expansion Premises, but in such event Tenant shall defend with counsel reasonably acceptable by Landlord, indemnify and hold Landlord harmless from and against any loss of or damage to Tenant’s property, completed work, fixtures, equipment, materials or merchandise, and from liability for death of, or injury to, any person, caused by the act or omission of Tenant or any Tenant Party.
7. Miscellaneous.

(a) **Consents.** Whenever consent or approval of either party is required under this Expansion Premises Work Letter, that party shall not unreasonably withhold, condition or delay such consent or approval, unless expressly set forth herein to the contrary.

(b) **Modification.** No modification, waiver or amendment of this Expansion Premises Work Letter or of any of its conditions or provisions shall be binding upon Landlord or Tenant unless in writing signed by Landlord and Tenant.
EXHIBIT C
Expansion Premises Work Letter – Tenant Build

THIS EXPANSION PREMISES WORK LETTER dated October 25, 2011 (this “Expansion Premises Work Letter”) is made and entered into by and between ARE-MA REGION NO. 38, LLC, a Delaware limited liability company (“Landlord”), and CONSTELLATION PHARMACEUTICALS, INC., a Delaware corporation (“Tenant”), and is attached to and made a part of the Lease Agreement dated February 5, 2010, as amended by that certain First Amendment to Lease dated as of October 25, 2011 (as amended, the “Lease”), by and between Landlord and Tenant. Any initially capitalized terms used but not defined herein shall have the meanings given them in the Lease.

1. General Requirements.
   (a) Tenant’s Authorized Representative. Tenant designates Garen Bohlin and Arthur Brumell (either such individual acting alone, “Tenant’s Representative”) as the only persons authorized to act for Tenant pursuant to this Expansion Premises Work Letter. Landlord shall not be obligated to respond to or act upon any request, approval, inquiry or other communication (“Communication”) from or on behalf of Tenant in connection with this Expansion Premises Work Letter unless such Communication is in writing from Tenant’s Representative. Tenant may change either Tenant’s Representative at any time upon not less than 5 business days advance written notice to Landlord.

   (b) Landlord’s Authorized Representative. Landlord designates Jeff McComish and Joseph Maguire (either such individual acting alone, “Landlord’s Representative”) as the only persons authorized to act for Landlord pursuant to this Expansion Premises Work Letter. Tenant shall not be obligated to respond to or act upon any request, approval, inquiry or other Communication from or on behalf of Landlord in connection with this Expansion Premises Work Letter unless such Communication is in writing from Landlord’s Representative. Landlord may change either Landlord’s Representative at any time upon not less than 5 business days advance written notice to Tenant.

   (c) Architects, Consultants and Contractors. Landlord and Tenant hereby acknowledge and agree that the architect (the “TI Architect”) for the Tenant Improvements (as defined in Section 2(a) below), the general contractor and any subcontractors for the Tenant Improvements shall be selected by Tenant, subject to Landlord’s approval, which approval shall not be unreasonably withheld, conditioned or delayed. Landlord shall be named a third party beneficiary of any contract entered into by Tenant with the TI Architect, any consultant, any contractor or any subcontractor, and of any warranty made by any contractor or any subcontractor.

2. Tenant Improvements.
   (a) Tenant Improvements Defined. As used herein, “Tenant Improvements” shall mean all improvements to the Expansion Premises desired by Tenant of a fixed and permanent nature. Other than funding the TI Allowance (as defined below) as provided herein, Landlord shall not have any obligation whatsoever with respect to the finishing of the Expansion Premises for Tenant’s use and occupancy.

   (b) Tenant’s Space Plans. Tenant shall deliver to Landlord schematic drawings and outline specifications (the “TI Design Drawings”) detailing Tenant’s requirements for the Tenant Improvements. Not more than 10 days thereafter, Landlord shall deliver to Tenant the written objections, questions or comments of Landlord and the TI Architect with regard to the TI Design Drawings. Tenant shall cause the TI Design Drawings to be revised to address such written comments and shall resubmit said drawings to Landlord for approval within 5 days thereafter. Such process shall continue until Landlord has approved the TI Design Drawings.
(c) **Working Drawings.** Not later than 15 business days following the approval of the TI Design Drawings by Landlord, Tenant shall cause the TI Architect to prepare and deliver to Landlord for review and comment construction plans, specifications and drawings for the Tenant Improvements ("TI Construction Drawings"), which TI Construction Drawings shall be prepared substantially in accordance with the TI Design Drawings. Tenant shall be solely responsible for ensuring that the TI Construction Drawings reflect Tenant’s requirements for the Tenant Improvements. Landlord shall deliver its written comments on the TI Construction Drawings to Tenant not later than 10 business days after Landlord’s receipt of the same; provided, however, that Landlord may not disapprove any matter that is consistent with the TI Design Drawings. Tenant and the TI Architect shall consider all such comments in good faith and shall, within 10 business days after receipt, notify Landlord how Tenant proposes to respond to such comments. Any disputes in connection with such comments shall be resolved in accordance with Section 2(d) hereof. Provided that the design reflected in the TI Construction Drawings is consistent with the TI Design Drawings, Landlord shall approve the TI Construction Drawings submitted by Tenant. Once approved by Landlord, subject to the provisions of Section 4 below, Tenant shall not materially modify the TI Construction Drawings except as may be reasonably required in connection with the issuance of the TI Permit (as defined in Section 3(a) below).

(d) **Approval and Completion.** If any dispute regarding the design of the Tenant Improvements is not settled within 10 business days after notice of such dispute is delivered by one party to the other, Tenant may make the final decision regarding the design of the Tenant Improvements, provided (i) Tenant acts reasonably and such final decision is either consistent with the TI Design Drawings or a compromise between Landlord’s and Tenant’s positions with respect to such dispute, (ii) that all costs and expenses resulting from any such decision by Tenant shall be payable out of the TI Fund (as defined in Section 5(d) below), and (iii) Tenant’s decision will not affect the base Building, structural components of the Building or any Building systems (in which case Landlord shall make the final decision). Any changes to the TI Construction Drawings following Landlord’s and Tenant’s approval of same requested by Tenant shall be processed as provided in Section 4 hereof.

3. **Performance of the Tenant Improvements.**

(a) **Commencement and Permitting of the Tenant Improvements.** Tenant shall commence construction of the Tenant Improvements upon obtaining and delivering to Landlord a building permit (the "TI Permit") authorizing the construction of the Tenant Improvements consistent with the TI Construction Drawings approved by Landlord. The cost of obtaining the TI Permit shall be payable from the TI Fund. Landlord shall assist Tenant in obtaining the TI Permit. Prior to the commencement of the Tenant Improvements, Tenant shall deliver to Landlord a copy of any contract with Tenant’s contractors (including the TI Architect), and certificates of insurance from any contractor performing any part of the Tenant Improvement evidencing industry standard commercial general liability, automotive liability, “builder’s risk”, and workers’ compensation insurance. Tenant shall cause the general contractor to provide a certificate of insurance naming Landlord, Alexandria Real Estate Equities, Inc., and Landlord’s lender (if any) as additional insureds for the general contractor’s liability coverages required above.

(b) **Selection of Materials, Etc.** Where more than one type of material or structure is indicated on the TI Construction Drawings approved by Tenant and Landlord, the option will be within Tenant’s reasonable discretion if the matter concerns the Tenant Improvements, and within Landlord’s sole and absolute subjective discretion if the matter concerns the structural components of the Building or any Building system.

(c) **Tenant Liability.** Tenant shall be responsible for correcting any deficiencies or defects in the Tenant Improvements.
Substantial Completion. Tenant shall substantially complete or cause to be substantially completed the Tenant Improvements in a good and workmanlike manner, in accordance with the TI Permit subject, in each case, to Minor Variations and normal “punch list” items of a non-material nature which do not interfere with the use of the Expansion Premises (“Substantial Completion” or “Substantially Complete”). Upon Substantial Completion of the Tenant Improvements, Tenant shall require the TI Architect and the general contractor to execute and deliver, for the benefit of Tenant and Landlord, a Certificate of Substantial Completion in the form of the American Institute of Architects (“AIA”) document G704. For purposes of this Expansion Premises Work Letter, “Minor Variations” shall mean any modifications reasonably required: (i) to comply with all applicable Legal Requirements and/or to obtain or to comply with any required permit (including the TI Permit); (ii) to comport with good design, engineering, and construction practices which are not material; or (iii) to make reasonable adjustments for field deviations or conditions encountered during the construction of the Tenant Improvements.

4. Changes. Any changes requested by Tenant to the Tenant Improvements after the delivery and approval by Landlord of the TI Design Drawings, shall be requested and instituted in accordance with the provisions of this Section 4 and shall be subject to the written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed.

(a) Tenant’s Right to Request Changes. If Tenant shall request changes (“Changes”), Tenant shall request such Changes by notifying Landlord in writing in substantially the same form as the AIA standard change order form (a “Change Request”), which Change Request shall detail the nature and extent of any such Change. Such Change Request must be signed by Tenant’s Representative. Landlord shall review and approve or disapprove such Change Request within 10 business days thereafter, provided that Landlord’s approval shall not be unreasonably withheld, conditioned or delayed.

(b) Implementation of Changes. If Landlord approves such Change and Tenant deposits with Landlord any Excess TI Costs (as defined in Section 5(d) below) required in connection with such Change, Tenant may cause the approved Change to be instituted. If any TI Permit modification or change is required as a result of such Change, Tenant shall promptly provide Landlord with a copy of such TI Permit modification or change.

5. Costs.

(a) Budget For Tenant Improvements. Before the commencement of construction of the Tenant Improvements, Tenant shall obtain a detailed breakdown, by trade, of the costs incurred or that will be incurred, in connection with the design and construction of The Tenant Improvements (the “Budget”), and deliver a copy of the Budget to Landlord for Landlord’s approval, which shall not be unreasonably withheld or delayed. The Budget shall be based upon the TI Construction Drawings approved by Landlord and shall include reimbursement to Landlord for reasonable out-of-pocket expenses and fees incurred by Landlord for plan review and consent fees in connection with the Tenant Improvements. If the Budget is greater than the TI Allowance, Tenant shall deposit with Landlord the difference, in cash, prior to the commencement of construction of the Tenant Improvements, for disbursement by Landlord as described in Section 5(d).

(b) TI Allowance. Landlord shall provide to Tenant a tenant improvement allowance (the “TI Allowance”) of $35.00 per rentable square foot of the Expansion Premises, or $184,065 in the aggregate The TI Allowance shall be disbursed in accordance with this Expansion Premises Work Letter.

Tenant shall have no right to the use or benefit (including any reduction to Base Rent) of any portion of the TI Allowance not required for the construction of (i) the Tenant Improvements described in the TI Construction Drawings approved pursuant to Section 2(d) or (ii) any Changes pursuant to Section 4; provided, however, if any TI Allowance remains following the completion of the Tenant Improvements and payment of all costs in connection therewith, Tenant shall have the right to use such remaining TI Allowance, for the construction of subsequent Alterations made by Tenant to the Expansion Premises in accordance with Section 12 of the Lease; provided, however, that in no event shall Tenant be entitled to use any portion of the TI Allowance in excess of $78,885.00 for Alterations in the Original Premises. Notwithstanding anything to the contrary contained herein, Tenant shall have no right to any portion of the TI Allowance that is not requested in writing before the last day of the month that is 36 months after the Expansion Premises Commencement Date.

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(c) **Costs Includable in TI Fund.** The TI Fund shall be used solely for the payment of design, permits and construction costs in connection with the construction of the Tenant Improvements, including, without limitation, the cost of electrical power and other utilities used in connection with the construction of the Tenant Improvements, the cost of preparing the TI Design Drawings and the TI Construction Drawings, all costs set forth in the Budget, including Landlord’s Administrative Rent, and the cost of Changes (collectively, “TI Costs”). Notwithstanding anything to the contrary contained herein, the TI Fund shall not be used to purchase any furniture, personal property or other non-Building system materials or equipment, including, but not be limited to, Tenant’s voice or data cabling, non-ducted biological safety cabinets and other scientific equipment not incorporated into the Tenant Improvements.

(d) **Excess TI Costs.** Landlord shall have no obligation to bear any portion of the cost of any of the Tenant Improvements except to the extent of the TI Allowance. If at any time and from time-to-time, the remaining TI Costs under the Budget exceed the remaining unexpended TI Allowance, Tenant shall deposit with Landlord, as a condition precedent to Landlord’s obligation to fund the TI Allowance, 100% of the then current TI Cost in excess of the remaining TI Allowance (“Excess TI Costs”). If Tenant fails to deposit, or is late in depositing any Excess TI Costs with Landlord, Landlord shall have all of the rights and remedies set forth in the Lease for nonpayment of Rent (including, but not limited to, the right to interest at the Default Rate and the right to assess a late charge). For purposes of any litigation instituted with regard to such amounts, those amounts will be deemed Rent under the Lease. The TI Allowance and Excess TI Costs is herein referred to as the “TI Fund.” Funds deposited by Tenant shall be the first thereafter disbursed to pay TI Costs. Notwithstanding anything to the contrary set forth in this Section 5(d), Tenant shall be fully and solely liable for TI Costs and the cost of Minor Variations in excess of the TI Allowance. Subject to the terms of Section 5(b) above, if upon Substantial Completion of the Tenant Improvements and the payment of all sums due in connection therewith there remains any undisbursed portion of the TI Fund, Tenant shall be entitled to such undisbursed TI Fund solely to the extent of any Excess TI Costs deposit Tenant has actually made with Landlord.

(e) **Payment for TI Costs.** During the course of design and construction of the Tenant Improvements, Landlord shall reimburse Tenant for TI Costs once a month against a draw request in Landlord’s standard form, containing evidence of payment of such TI Costs by Tenant and such certifications, lien waivers (including a conditional lien release for each progress payment and unconditional lien releases for the prior month’s progress payments), inspection reports and other matters as Landlord customarily obtains, to the extent of Landlord’s approval thereof for payment, no later than 30 days following receipt of such draw request. Upon completion of the Tenant Improvements (and prior to any final disbursement of the TI Fund), Tenant shall deliver to Landlord: (i) sworn statements setting forth the names of all contractors and first tier subcontractors who did the work and final, unconditional lien waivers from all such contractors and first tier subcontractors; (ii) as-built plans (one copy in print format and two copies in electronic CAD format) for such Tenant Improvements; (iii) a certification of substantial completion in Form AIA G704, (iv) a certificate of occupancy for the Expansion Premises; and (v) copies of all operation and maintenance manuals and warranties affecting the Expansion Premises.

6. **Miscellaneous.**

(a) **Consents.** Whenever consent or approval of either party is required under this Expansion Premises Work Letter, that party shall not unreasonably withhold, condition or delay such consent or approval, except as may be expressly set forth herein to the contrary.

(b) **Modification.** No modification, waiver or amendment of this Expansion Premises Work Letter or of any of its conditions or provisions shall be binding upon Landlord or Tenant unless in writing signed by Landlord and Tenant.
SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE (this “Second Amendment”) is made as of October 18, 2013, by and between ARE-MA REGION NO. 38, LLC, a Delaware limited liability company (“Landlord”), and CONSTELLATION PHARMACEUTICALS, INC., a Delaware corporation (“Tenant”).

RECITALS

A. Landlord and Tenant are parties to that certain Lease Agreement dated as of February 5, 2010, as amended by that certain First Amendment to Lease dated as of October 25, 2011 (“First Amendment”) (as amended, the “Lease”). Pursuant to the Lease, Tenant leases certain premises containing approximately 39,865 rentable square feet, consisting of (i) a portion of the 1st and 2nd floors of the Building, containing approximately 34,606 rentable square feet (“Original Premises”), and (ii) Suite 150 containing approximately 5,259 rentable square feet (“Expansion Premises”), in a building located at 215 First Street, Cambridge, Massachusetts. The Original Premises and the Expansion Premises are collectively referred to herein as the “Premises.” The Premises are more particularly described in the Lease. Capitalized terms used herein without definition shall have the meanings defined for such terms in the Lease.

B. The Base Term of the Lease with respect to the Original Premises expires on June 30, 2014.

C. The Premises and the Project have been re-measured.

D. Landlord and Tenant desire, subject to the terms and conditions set forth below, to amend the Lease to, among other things, (i) extend the Base Term of the Lease with respect to the Original Premises through June 30, 2017 (“Extended Expiration Date”); and (ii) revise the rentable square footage of the Premises.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, the mutual promises and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. **Base Term.** The Base Term of the Lease with respect to the Original Premises only is hereby extended through the Extended Expiration Date. For the avoidance of any doubt, the Base Term of the Lease with respect to the Expansion Premises shall expire on September 30, 2015 (“Expansion Premises Expiration Date”).

2. **Base Rent.**

   a. **Original Premises.** Tenant shall continue to pay Base Rent for the Original Premises as provided for in the Lease through June 30, 2014. Commencing on July 1, 2014, Tenant shall commence paying Base Rent for the Original Premises in the amount of $136,322.76 per month. Base Rent shall be increased on each subsequent July 1st during the Base Term (each, an “Original Premises Adjustment Date”) by multiplying the Base Rent payable with respect to the Original Premises immediately before such Original Premises Adjustment Date by the Rent Adjustment Percentage and adding the resulting amount to the Base Rent payable with respect to the Original Premises immediately before such Original Premises Adjustment Date.

   b. **Expansion Premises.** Tenant shall continue to pay Base Rent with respect to the Expansion Premises as provided for in the Lease through the Expansion Premises Expiration Date.
3. **Rentable Area.** Commencing as of the date of this Second Amendment, the defined terms “Rentable Area of Premises” and “Rentable Area of Project” on page 1 of the Lease are deleted in their entirety and replaced with the following:

- “Rentable Area of Premises: 41,538 sq. ft.”
- “Rentable Area of Project: 366,723 sq. ft.”

4. **Premises.** Commencing as of the date of this Second Amendment, the defined term “Premises” on page 1 of the Lease is hereby deleted in its entirety and replaced with the following:

- “Premises: That portion of the Building containing approximately 41,538 rentable square feet, consisting of (i) a portion of the 1st and 2nd floors of the Building, containing approximately 36,309 rentable square feet (the “Original Premises”), and (ii) Suite 150 containing approximately 5,229 rentable square feet (the “Expansion Premises”), all as determined by Landlord, as shown on Exhibit A. The Original Premises and the Expansion Premises shall be collectively referred to herein as the “Premises.”

5. **Tenant’s Share.** Commencing as of the date of this Second Amendment, the defined terms “Tenant’s Share” and “Tenant’s Percentage Share (Science Facility)” on page 1 of the Lease are deleted in their entirety and replaced with the following:

- “Tenant’s Share: 11.33%”
- “Tenant’s Percentage Share (Science Facility): 47.82%”

6. **Parking.** Commencing on December 1, 2013, the market rate for all of the parking spaces used by Tenant including, without limitation the Additional Parking Spaces, pursuant to the Lease is $230 per parking space per month.

7. **Rights to Extend.**

   a. **Original Premises.** Section 35 of the Lease shall remain in full force and effect with respect to the Original Premises and does not apply with respect to the Expansion Premises. Notwithstanding anything to the contrary contained in the Lease, Tenant must deliver to Landlord written notice of its election to exercise its Extension Right pursuant to Section 35 on or before September 30, 2016.

   b. **Expansion Premises.** Section 10.a. of the First Amendment is hereby deleted in its entirety and replaced with the following:

   - “a. Expansion Premises Extension Right. Tenant shall have the one-time right (the “Expansion Premises Extension Right”) to extend the term of the Lease with respect to the Expansion Premises for an additional period commencing October 1, 2015, through the Extended Expiration Date (the “Expansion Premises Extension Term”) on the same terms and conditions as the Lease (other than Base Rent payable with respect to the Expansion Premises and the Expansion Premises Work Letter) by giving Landlord written notice of its election on or before December 31, 2014. Promptly after receipt of Tenant’s exercise notice, Landlord shall provide Tenant with Landlord’s determination of the Market Rate for the Expansion Premises for the Expansion Premises Extension Term.

   Base Rent for the Expansion Premises shall be adjusted on the commencement date of the Expansion Premises Extension Term and on each annual anniversary of the commencement of the Expansion Premises Extension Term by multiplying the Base Rent payable for the Expansion Premises immediately before such adjustment by 4% and adding the resulting amount to the Base Rent payable for the Expansion Premises immediately before such adjustment.”

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8. **Amended Definitions.** If the Term of the Lease expires with respect to the Expansion Premises on the Expansion Premises Expiration Date, or otherwise terminates prior to the Extended Expiration Date (either, the “Expansion Premises Termination Date”), then commencing on the day immediately following the Expansion Premises Termination Date, (i) the definitions of Premises, Rentable Area of the Premises, Tenant’s Share, and Tenant’s Percentage Share (Science Facility) shall revert to the definitions provided for such terms in the Lease immediately prior to the date of the First Amendment, and (ii) Tenant shall have no further right to use the Additional Parking Space (as defined in the First Amendment).

9. **Brokers.** Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, “Broker”) in connection with the transaction reflected in this Second Amendment and that no Broker brought about this transaction, other than Richards Barry Joyce & Partners. Landlord and Tenant each hereby agrees to indemnify and hold the other harmless from and against any claims by any Broker claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction. Landlord shall pay any commission due to Richards Barry Joyce & Partners pursuant to a separate written agreement.

10. **Miscellaneous.**
   
a. This Second Amendment is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This Second Amendment may be amended only by an agreement in writing, signed by the parties hereto.

   b. This Second Amendment is binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

   c. This Second Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this Second Amendment attached thereto.

   d. Except as amended and/or modified by this Second Amendment, the Lease is hereby ratified and confirmed and all other terms of the Lease shall remain in full force and effect, unaltered and unchanged by this Second Amendment. In the event of any conflict between the provisions of this Second Amendment and the provisions of the Lease, the provisions of this Second Amendment shall prevail. Whether or not specifically amended by this Second Amendment, all of the terms and provisions of the Lease are hereby amended to the extent necessary to give effect to the purpose and intent of this Second Amendment.

   [Signatures are on the next page.]
IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the day and year first above written.

TENANT:

CONSTELLATION PHARMACEUTICALS, INC.,
a Delaware corporation

By: /s/ Matthias Jaffe
   Its: CFO

LANDLORD:

ARE-MA REGION NO. 38, LLC, a Delaware limited liability company

By: Alexandria Real Estate Equities, L.P.,
a Delaware limited partnership, managing member

By: ARE-QRS Corp., a Maryland corporation, general partner

By: /s/ Eric S. Johnson
   Its: Eric S. Johnson
   Vice President
   Real Estate Legal Affairs
THIRD AMENDMENT TO LEASE

THIS THIRD AMENDMENT TO LEASE (this “Third Amendment”) is made as of September 26, 2016, by and between ARE-MA REGION NO. 38, LLC, a Delaware limited liability company (“Landlord”), and CONSTELLATION PHARMACEUTICALS, INC., a Delaware corporation (“Tenant”).

RECITALS

A. Landlord and Tenant are parties to that certain Lease Agreement dated as of February 5, 2010, as amended by that certain First Amendment to Lease dated as of October 25, 2011, as further amended by that certain Second Amendment to Lease dated as of October 18, 2013, and as further amended by that certain letter agreement dated as of September 30, 2015 (as amended, the “Lease”). Pursuant to the Lease, Tenant leases certain premises containing approximately 36,309 rentable square feet (the “Premises”) in a building located at 215 First Street, Cambridge, Massachusetts. The Premises are more particularly described in the Lease. Capitalized terms used herein without definition shall have the meanings defined for such terms in the Lease.

B. Pursuant to the terms of the Lease, Tenant previously leased that certain Expansion Premises consisting of approximately 5,229 rentable square feet.

C. The Base Term of the Lease with respect to the Expansion Premises expired on October 31, 2015, and the Base Term of the Lease with respect to the remaining Premises expires on June 30, 2017.

D. Landlord and Tenant desire, subject to the terms and conditions set forth below, to amend the Lease to, among other things, extend the Base Term of the Lease with respect to the remaining Premises through June 30, 2020 (“Third Amendment Expiration Date”).

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, the mutual promises and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. **Term.** The Term of the Lease with respect to the Premises is hereby extended through the Third Amendment Expiration Date. Except as otherwise expressly provided in Section 4 below, Tenant’s occupancy of the Premises through the Third Amendment Expiration Date shall be on an “as-is” basis and Landlord shall have no obligation to provide any tenant improvement allowance or to make any alterations to the Premises.

2. **Base Rent.** Tenant shall continue to pay Base Rent for the Original Premises as provided for in the Lease through June 30, 2017. Commencing on July 1, 2017, Tenant shall commence paying Base Rent for the Premises in the amount of $65.00 per rentable square foot of the Premises per year. Base Rent shall be increased on each subsequent July 1st during the Base Term (each, an “Third Amendment Adjustment Date”) by multiplying the Base Rent payable with respect to the Premises immediately before such Third Amendment Adjustment Date by 3% and adding the resulting amount to the Base Rent payable with respect to the Premises immediately before such Third Amendment Adjustment Date.

3. **Defined Terms.** For the avoidance of any doubt, as of November 1, 2015, the defined terms “Premises,” “Rentable Area of Premises,” “Tenant’s Share” and “Tenant’s Percentage Share (Science Facility)” on page 1 of the Lease were deleted in their entirety and replaced with the following:
“Premises: That portion of the 2nd floor of the Building containing approximately 36,309 rentable square feet, as determined by Landlord, as shown on Exhibit A.”

“Rentable Area of Premises: 36,309 sq. ft.”

“Tenant’s Share: 9.90%”

“Tenant’s Percentage Share (Science Facility): 41.89%”

4. **Landlord’s Work.** Following the mutual execution and delivery of this Third Amendment by the parties, Landlord shall perform the following work in the Premises at Landlord’s sole cost and expense: (i) replace carpet in the reception area of Tenant’s main entrance, using Building standard carpet, (ii) infill, spackle and repaint the walls identified on Exhibit A attached to this Third Amendment, and (iii) fix the men’s bathroom door off of the main reception area of the Premises as identified on Exhibit A attached to this Third Amendment (collectively, “Landlord’s Work”). Tenant acknowledges that Landlord shall require access to portions of the Premises following the mutual execution and delivery of this Third Amendment in order to complete Landlord’s Work. Landlord and its contractors and agents shall have the right to enter the Premises to complete Landlord’s Work and Tenant shall cooperate with Landlord in connection with the same. Tenant acknowledges that Landlord’s completion of Landlord’s Work may adversely affect Tenant’s use of the Premises. Tenant waives all claims against Landlord in connection with Landlord’s Work including, without limitation, claims for rent abatement.

5. **Parking.** As of the date that Landlord does make available to Tenant parking spaces in the Binney Parking Garage (the “Binney Garage Commencement Date”), which Binney Garage Commencement Date Landlord anticipates will occur on or about January 15, 2017, Section 8 of the Lease shall be deleted in its entirety and replaced with the following:

   “8. Parking. Subject to all matters of record, Force Majeure, a Taking (as defined in Section 15 below) and the exercise by Landlord of its rights hereunder, Landlord shall make available to Tenant at then-current market rates from time to time a license for 32 parking spaces in the parking garage serving 50-60 Binney Street (the “Binney Parking Garage”), all of such parking spaces to be on a non-reserved basis. In addition to the monthly rates payable by Tenant for such parking spaces pursuant to the immediately preceding sentence, Tenant shall also be required to pay Tenant’s pro rata share of the Binney Garage Operating Expenses (as defined below). Neither Landlord nor the owner of the Binney Parking Garage (“Binney Garage Owner”) shall be responsible for enforcing Tenant’s parking rights against any third parties, including other tenants of the Project.

   Tenant shall also pay, commencing on the Binney Garage Commencement Date, and continuing thereafter on the first day of each month of the Term (and in addition to the parking charges provided for in the immediately preceding paragraph), Tenant’s pro rata share of the Binney Garage Operating Expenses (as defined below) incurred by the Binney Garage Owner with respect to the Binney Parking Garage. Tenant’s pro rata share of the Binney Parking Garage shall be 3.56%. As used herein, “Binney Garage Operating Expenses” shall mean all costs and expenses of any kind or description whatsoever incurred or accrued each calendar year by the Binney Garage Owner with respect to the Binney Parking Garage, but excluding, as applicable to the Binney Parking Garage, the exclusions enumerated in clauses (a) through (u) of Section 4(a) of the Lease with respect to Project Operating Expenses. Landlord shall deliver (or cause to be delivered to Tenant) a written estimate of Binney Garage Operating Expenses for each calendar year during the Term (the “Binney Annual Estimate”), which Binney Annual Estimate may be revised by the Binney Garage Owner from time to time during such calendar year.
Tenant shall, at Tenant’s sole expense, for so long as the Parking and Traffic Demand Management Plan dated February 9, 2010 (revised April 15, 2010), as approved by the City of Cambridge on April 22, 2010, including the conditions set forth in such approval (as amended from time to time, the “PTDM”), remains applicable to the Project, comply with the PTDM as applicable to the Project, including without limitation, (i) offer to subsidize mass transit monthly passes for all of its employees who work in the Premises in accordance with the terms set forth in the PTDM; (ii) implement a Commuter Choice Program and the MBTA’s Corporate Pass Plan; (iii) discourage single-occupant vehicle ("SOV") use by its employees; (iv) promote alternative modes of transportation and use of alternative work hours; (v) at Landlord’s request, meet with Landlord and/or its representatives no more frequently than quarterly to discuss transportation programs and initiatives; (vi) participate in annual surveys, monitoring transportation programs and initiatives at the Project, and, without limitation, achieve a sixty (60%) percent response rate for patron surveys; (vii) cooperate with Landlord in connection with transportation programs and initiatives promulgated pursuant to the PTDM; (viii) provide alternative work programs (such as telecommuting, flex-time and compressed work weeks) to its employees in order to reduce traffic impacts in Cambridge during peak commuter hours; (ix) offer an emergency ride home ("ERH") through the Charles River Transportation Management Association ("CRTMA"), or have its own ERH program, for all employees who commute by non-SOV mode at least 3 days a week and who are eligible to park in parking spaces in the Binney Parking Garage which Tenant is entitled to use pursuant to this first paragraph of this Section 8; (x) cooperate with the Cambridge Office of Workforce Development to expand employment opportunities for Cambridge residents; (xi) in the event that the single occupancy vehicle and traffic generation modal split limits of the PTDM are exceeded, charge each user of a parking space the market rate for parking in Kendall Square/East Cambridge therefor; (xii) comply with the requirements of any other Parking and Traffic Demand Management Plan to which Tenant may be a party from time to time; (xiii) designate an employee transportation coordinator for the Building; and (xiii) otherwise cooperate with Landlord in encouraging employees to seek alternate modes of transportation.”

6. Rights to Extend. Section 35 of the original Lease is hereby deleted in its entirety and is null and void and of no further force or effect.

7. Brokers. Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, “Broker”) in connection with the transaction reflected in this Third Amendment and that no Broker brought about this transaction, other than Transwestern RBJ. Landlord and Tenant each hereby agrees to indemnify and hold the other harmless from and against any claims by any Broker claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction. Landlord shall pay any commission due to Transwestern pursuant to a separate written agreement.

8. OFAC. Tenant and all beneficial owners of Tenant are currently (a) in compliance with and shall at all times during the Term of the Lease remain in compliance with the regulations of the Office of Foreign Assets Control (“OFAC”) of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the “OFAC Rules”), (b) not listed on, and shall not during the term of the Lease be listed on, the Specially Designated Nationals and Blocked Persons List, Foreign Sanctions Evaders List, or the Sectoral Sanctions Identification List, which are all maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.

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9. **Miscellaneous.**

a. This Third Amendment is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This Third Amendment may be amended only by an agreement in writing, signed by the parties hereto.

b. This Third Amendment is binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

c. This Third Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this Third Amendment attached thereto.

d. Except as amended and/or modified by this Third Amendment, the Lease is hereby ratified and confirmed and all other terms of the Lease shall remain in full force and effect, unaltered and unchanged by this Third Amendment. In the event of any conflict between the provisions of this Third Amendment and the provisions of the Lease, the provisions of this Third Amendment shall prevail. Whether or not specifically amended by this Third Amendment, all of the terms and provisions of the Lease are hereby amended to the extent necessary to give effect to the purpose and intent of this Third Amendment.

[Signatures are on the next page.]
IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment as of the day and year first above written.

TENANT:

CONSTELLATION PHARMACEUTICALS, INC.,
a Delaware corporation

By: /s/ Matthias Jaffe
Its: CFO

LANDLORD:

ARE-MA REGION NO. 38, LLC, a Delaware limited liability company

By: Alexandria Real Estate Equities, L.P.,
a Delaware limited partnership, managing member

By: ARE-QRS Corp., a Maryland corporation, general partner

By: /s/ Eric S. Johnson
Its: Eric S. Johnson
Senior Vice President
RE Legal Affairs
March 13, 2017

Jigar Raythatha

Dear Jigar,

It is my pleasure to offer to you the position of President & CEO at Constellation Pharmaceuticals, Inc. (“the Company”). This letter and accompanying enclosures will summarize the terms of your employment, should you accept our offer.

**Employment:** You will be employed to serve in the position of President & CEO, reporting to the Board of Directors. In addition you will be appointed to the Company’s Board of Directors. You agree to devote your full business time, best efforts, skill, knowledge, attention, and energies to the advancement of the Company’s business and interests and to the performance of your duties and responsibilities as an employee of the Company effective March 20, 2017 or such other date as mutually agreed upon provided it is no later than April 1, 2017.

**Compensation:** Your base rate of compensation will be at the bi-weekly rate of $15,000.00 (annualized rate of $390,000), which will be paid in accordance with the Company’s regular payroll system. Such base rate of compensation may be adjusted from time to time in accordance with normal business practices and in the sole discretion of the Company.

**Annual Discretionary Bonus:** If the Board of Directors of the Company approves funding an annual bonus pool for the applicable fiscal year, you will be eligible for participation in the Company’s performance-based cash bonus program using the bonus benchmark of 40% of your annualized base salary as determined by the Board of Directors in its sole discretion; provided, however, that any bonus for the 2017 calendar year shall be prorated based on your start date. The bonus award, if any, will be based on achievement of both individual and Company performance. The Board or its designee in its sole discretion, shall determine whether to award an annual bonus and whether there has been achievement of the applicable targets. Any bonus will be paid to you following the close of the fiscal year to which it relates and in no event later than March 15th of the calendar year in which the bonus was awarded. In any event, you must be an active employee of the Company on the date the bonus is distributed in order to be eligible for a bonus award, as the bonus also serves as an incentive to remain employed by the Company.

**Sign-On Bonus:** You will receive a sign-on bonus in the amount of $50,000.00, payable on the first pay date following the commencement of your employment. Should you resign without the mutual agreement of the Board of Directors or be terminated for Cause by the Company within the first 12 months of employment, you will be required to repay the Company within 30 days following such termination an amount equal to $4,166.66 multiplied by the number of calendar months remaining until the first anniversary of your start date with the Company. By countersigning this offer letter, you hereby agree to make any repayment required pursuant to this paragraph.
Special Bonus: You will also be eligible to receive a $50,000.00 special retention bonus, less applicable taxes and withholdings. This bonus will be paid if a business deal generating at least $50,000,000 of guaranteed revenue for the Company is executed within 12 months of your start date.

Withholdings: All compensation payable to you shall be subject to applicable taxes and withholdings.

Stock Options: Subject to approval by the Company’s Board of Directors, you will be granted an option to purchase up to 5,900,000 shares of the Company’s common stock, at a price equal to the fair market value of the common stock on the date of the grant, as determined by the Board. This option, if granted, will be subject to the standard terms and conditions of the Constellation Pharmaceuticals Stock Option Plan and the stock option agreement that you must execute in connection therewith. As set forth in the agreement the option will vest over four years at the rate of 25% after twelve months of active employment and an additional 6.25% per quarter for the next twelve successive quarters when, after four full years of active employment, the option will be fully vested. Should you leave the Company before the completion of 12 months of employment with the mutual agreement of the Board of Directors as the result of an alternative CEO being hired there will be a 2.1% accelerated vesting for each complete month you have been employed.

Benefits: You shall also be eligible to participate in any and all other benefit programs that the Company establishes and makes available to its employees from time to time, provided that you are eligible under (and subject to all provisions of) the plan documents governing those programs, including enrollment in the Company’s 401(k) plan, which is currently being offered through Fidelity Investments. Enclosed is a summary of the benefits, which are currently provided to the employees of Constellation Pharmaceuticals. Please note that the benefits made available by the Company, and the rules, terms, and conditions for participation in such benefit plans, may be changed by the Company at any time, and from time to time without advance notice.

Change In Control: The Company has adopted a Change in Control Severance Plan (the “Plan”). This Plan is the sole agreement between the Company and you governing any compensation and/or benefits, equity or otherwise, that you may be eligible to receive in connection with a “Change in Control” (as defined in the Plan), including any and all benefits you may be eligible to receive if you are separated from employment on or following a Change in Control. In the event there is a conflict between the terms of this offer letter and the terms of the Plan, the terms of the Plan shall govern.

Employment At-Will: This offer letter is not intended to create or constitute an employment agreement or contract between you and Constellation for any definite period of time. If you accept the Company’s offer of employment, your employment with the Company will be on an “at-will” basis, meaning that you will have the right to terminate your employment relationship with Constellation at any time for any reason, with or without notice. Similarly, Constellation will have the right to terminate its employment relationship with you at any time for any reason, with or without notice.
Severance Benefits Except in the Event of a Change in Control: Without limiting the at-will nature of your employment with the Company, in the event that Constellation terminates your employment at any time without Cause or if you resign from your employment for Good Reason, Constellation shall pay you in one lump sum a severance payment equivalent to one (1) month’s base salary per month of employment served up to a total of 12 months of your then current base salary, less applicable taxes and withholdings. In addition, for the same period of time provided for in the cash severance payment, or until you obtain alternative coverage, whichever comes first, and provided that you are eligible for and elect group medical and dental insurance continuation coverage pursuant to the federal COBRA law, Constellation will continue to pay its share of the premiums associated with the COBRA continuation coverage to the same extent it was paying such premiums immediately prior to your separation date. Should your employment termination be by mutual agreement between you and the Company, you will be ineligible for cash severance and any other benefits provided for with the exception of those benefits required by law.

Constellation’s obligations to make, and commence payment of, the severance and premium payments set forth in the section above are contingent upon your execution of a Severance Agreement and Release of Claims (the “Release”) in a form to be provided by the Company (which will include, at a minimum, a release of all releasable claims and non-disparagement, confidentiality, and cooperation obligations). The Release must be signed by you, and any applicable revocation period with respect thereto must have expired, by the 60th day following the end of your employment. If the Release has been signed by you and the Company and any applicable revocation period has expired prior to the 60th day following the end of your employment, then the severance and premium payments described above may be made or commence, as applicable, on such earlier date as may be determined by the Company; provided, however, that if the 60th day following the end of your employment occurs in the calendar year following the year of your separation date, then the payment shall not be made earlier than January 15 of such subsequent calendar year.

For the avoidance of doubt, you shall not be entitled to any severance benefits beyond those provided for in this section by virtue of the end of your employment, except in the event a Change of Control as defined in the Plan has occurred, in which case the severance benefits provided to you as a result of the end of your employment will be as set forth in and pursuant to the terms of the Plan and you will be entitled to no other severance benefits, including those set forth in this section.

Cause: For purposes of this offer letter (and your eligibility to receive and retain certain benefits as set forth in this offer letter), “Cause” shall mean (i) a material breach of any material term of any applicable offer letter or the Employee Non-Competition, Non-Solicitation, Confidentiality and Assignment Agreement referred to below, (ii) a plea of guilty or nolo contendere to, or conviction of, the commission of a felony offense or a crime of dishonesty, (iii) repeated unexplained or unjustified absences, refusals or failures to carry out the lawful directions of the Board of Directors of the Company (the “Board”) or the Chief Executive Officer, or the employee’s supervisor, or (iv) willful misconduct that results or is reasonably likely to result in material harm to Constellation.

Good Reason: is defined as (1) a material diminution in the Officer’s base compensation; (2) a material diminution in the Officer’s authority, duties, or responsibilities; (3) a material diminution in the authority, duties, or responsibilities of the employee to whom the Officer is required to report, including a requirement that an Officer report to a corporate officer or employee instead of reporting directly to the Board (or similar governing body with respect to an entity other than a corporation); (4) a material diminution in the budget over which the Officer retains authority; (5) a material change in the geographic location at which the Officer must perform the services; or (6) any other action or inaction that constitutes a material breach by the Company of any agreement under which the Officer provides services.
Payments Subject to Section 409A: This offer letter, and any payments or other benefits under this offer letter, is intended to comply, to the extent applicable, with the provisions of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A") and shall, to the extent practicable, be construed in accordance with such section and consistent with Exhibit A to this offer letter.

Company Agreement and Employment Eligibility: The offer of employment is contingent upon satisfactory reference checks, your signing Constellation’s standard Form of Agreement Regarding Inventions, Confidentiality and Proprietary Information (copy attached) and I-9 Employment Verification Form. You will be required to submit documentation that establishes identity and employment eligibility in accordance with the US Immigration and Naturalization requirements within the first three days of your employment with the Company.

Company Policies and Procedures: As an employee of the Company, you will be required to comply with all Company policies and procedures. Violations of the Company’s policies may lead to immediate termination of your employment. Further, the Company’s premises, including all workspaces, furniture, documents, and other tangible materials, and all information technology resources of the Company (including computers, data and other electronic files, and all internet and email) are subject to oversight and inspection by the Company at any time. Company employees should have no expectation of privacy with regard to any Company premises, materials, resources, or information.

Miscellaneous: You represent that you are not bound by any employment contract, restrictive covenant or other restriction preventing you from entering into employment with or carrying out your responsibilities for the Company, or which is in any way inconsistent with the terms of this letter. If there are any other agreements of any type that you are aware of which may impact or limit your ability to perform your job at Constellation, please let us know as soon as possible.

Please note that this offer letter is your formal offer of employment and supersedes any and all prior or contemporaneous agreements, discussions and understandings, whether written or oral, relating to the subject matter of this letter or your employment with the Company. The resolution of any disputes under this letter will be governed by Massachusetts law.

Please indicate your acceptance of this offer by signing on the appropriate space below and returning a signed copy either electronically or along with the other necessary agreements referenced in this letter to the attention of Brenda Sousa at Constellation Pharmaceuticals. We will discuss a formal start date and transition plan upon your acceptance of this offer.

We are all very excited about the opportunity to work with you, Jigar. Feel free to contact Brenda Sousa or me if you have any questions or need more information. On behalf of all our team members, let me extend a sincere welcome.

Sincerely,
Mark A. Goldsmith, M.D., Ph.D.
Chairman of the Board
Constellation Pharmaceuticals, Inc.

I accept the above terms of employment as stated:

/s/ Jigar Raythatha  
3/16/17

Jigar Raythatha  
Date

Enclosures:
~Summary of Constellation Benefits
~Constellation’s Standard Form of Agreement Regarding Employee Non-Competition, Non-Solicitation, Confidentiality and Assignment
Exhibit A
Payments Subject to Section 409A

The following rules shall apply with respect to distribution of the payments and benefits, in any, to be provided under this offer letter:

(a) It is intended that each installment of the severance payments and benefits provided under this offer letter shall be treated as a separate “payment” for purposes of Section 409A of the Internal Revenue Code and the guidance issued thereunder (“Section 409A”). Neither you nor Constellation shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A.

(b) If, as of the date of your “separation from service” from Constellation, you are not a “specified employee” (within the meaning of Section 409A), then each installment of the severance payments and benefits shall be made on the dates and terms set forth in this offer letter.

(c) If, as of the date of your “separation from service” from Constellation, you are a “specified employee” (within the meaning of Section 409A), then:

   (i) Each installment of the severance payments and benefits due under this offer letter, that in accordance with the dates and terms set forth herein, will in all circumstances, regardless of when the separation from service occurs, be paid within the short-term deferral period (as defined under Section 409A) shall be treated as a short-term deferral within the meaning of Treasury Regulation Section 1.409A-1(b)(4) to the maximum extent permissible under Section 409A and shall be made on the dates and terms set forth in this offer letter; and

   (ii) Each installment of the severance and benefits due under this offer letter that is not described in paragraph (i) above and that would, absent this subsection, be paid within the six-month period following your “separation from service” from Constellation shall not be paid until the date that is six months and one day after such separation from service, (or, if earlier, upon your death), with any such installments that are required to be delayed being accumulated during the six-month period and paid in a lump sum on the date that is six months and one day following your separation from service and any subsequent installments, if any, being paid in accordance with the dates and terms set forth herein; provided, however, that the preceding provisions of this sentence shall not apply to any installment of severance payments and benefits if any to the maximum extent that such installment is deemed to be paid under a separation pay plan that does not provide for a deferral of compensation by reason of the application of Treasury Regulation Section 1.409A-1(b)(iii) (relating to separation pay upon an involuntary “separation from service”. Any installments that qualify for the exception under Treasury Regulation Section 1.409A-1(b)(9)(iii) must be paid no later than the last day of the Employee’s second taxable year following the taxable year in which separation from service occurs.
The determination of whether and when your separation from service from Constellation has occurred shall be made and in a manner consistent with, and based on the presumptions set forth in, Treasury Regulation Section 1.409A-1(h). Solely for purposes of this paragraph (d), "Constellation" shall include all persons with whom Constellation would be considered a single employer under Sections 414(b) and 414(c) of the Code.

Solely for purposes of this paragraph (d), "Constellation" shall include all persons with whom Constellation would be considered a single employer under Sections 414(b) and 414(c) of the Code.

All reimbursements and in-kind benefits provided under this offer letter shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A, including, where applicable the requirement that (i) any reimbursement is for expenses incurred during your lifetime (or during a shorter period of time specified in this offer letter), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred and (iv) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit.

Notwithstanding anything to the contrary in this offer letter, any payment or benefit under this offer letter or otherwise that may be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9)(v)(A) or (C) (relating to certain reimbursements and in-kind benefits) shall be paid or provided to you only to the extent that the expenses are not incurred, or the benefits are not provided, beyond the last day of the second calendar year following the calendar year in which your “separation from service” occurs; and provided further that such expenses are reimbursed no later than the last day of the third calendar year following the calendar year in which your “separation from service” occurs.
August 30, 2017

Emma Reeve

Dear Emma,

It is my pleasure to confirm our offer to you for the position of Sr. Vice President & Chief Financial Officer at Constellation Pharmaceuticals, Inc. (“the Company”). This letter and accompanying enclosures will summarize important details about your employment.

Employment: You will be employed to serve on a full-time basis in the position of Sr. Vice President & Chief Financial Officer, reporting to the Chief Executive Officer (“CEO”). You agree to devote your full business time, best efforts, skill, knowledge, attention, and energies to the advancement of the Company’s business and interests and to the performance of your duties and responsibilities as an employee of the Company, effective on such date as is mutually agreed upon by you and the Company (which shall in no event be later than October 16, 2017).

Base Salary: Your base salary will be at the rate of $13,654.00 per bi-weekly pay period (which if annualized equals $355,000), less all applicable taxes and withholdings and which will be paid in accordance with the Company’s regular payroll practices.

Annual Discretionary Bonus: Following the end of each fiscal year, and provided that the Board of Directors of the Company (the “Board”) approves funding an annual bonus pool for such fiscal year, you will be eligible for a retention and performance bonus (the “Performance Bonus”). The target amount of such Performance Bonus will be 35% of your annualized base salary for the applicable fiscal year, based on the Company’s achievement of its performance goals and your achievement of your performance goals for the fiscal year. The Board or its designee, in its sole discretion, shall determine whether goals have been achieved and whether a Performance Bonus will be awarded. Any Performance Bonus will be paid to you following the close of the fiscal year to which it relates (but in no event later than March 15th). In any event, you must be an active employee of the Company on the date any Performance Bonus is distributed in order to be eligible for and to earn a bonus award, as it also serves as an incentive to remain employed by the Company.

Sign on Bonus: You will receive a one-time sign-on bonus in the amount of $70,000.00, less all applicable taxes and withholdings, to be paid on the Company’s first regular pay date whose cutoff date follows your commencement of employment. Please note that if, prior to the one-year anniversary of your start date, you resign your employment without Good Reason (as defined below) or your employment is terminated for Cause (as defined below), you will be required to repay the Company (within thirty (30) days following your separation date) an amount equal to $5,833.33 per complete calendar month remaining between your separation date and the one-year anniversary of your start date. On the first anniversary of your start date with the Company, you will be eligible to receive an additional bonus of $70,000 (the “Second Bonus”), less applicable taxes and withholdings.
Special Bonus: You will also be eligible to receive a one-time special retention bonus of $70,000.00, less all applicable taxes and withholdings (the “Special Bonus”), if the Company has successfully completed a liquidity event by June 30, 2019. In such event, you will be paid the Special Bonus in the Company’s next regular payroll cycle beginning after such Initiation. You must be an active employee of the Company on the date any Special Bonus is distributed in order to be eligible for and to earn such bonus.

Withholdings: All compensation payable to you shall be subject to applicable taxes and withholdings.

Initial Stock Option Grant: Subject to approval by the Board, you will be granted an option to purchase up to 1,600,000 shares of the Company’s common stock (the “Initial Option”), at a price equal to the fair market value of the common stock on the date of the grant, as determined by the Board. This Initial Option, if granted, will be subject to the standard terms and conditions of the Constellation Pharmaceuticals Stock Option Plan and the stock option agreement provided in connection therewith. As set forth in the stock option agreement, the Initial Option will vest over four years at the rate of 25% after twelve months of active employment beginning with start date and an additional 6.25% per quarter in accordance with the specific terms provided in the stock option agreement.

Following the end of each fiscal year, and provided that the Board of Directors of the Company (the “Board”) approves employee stock option grants, you will be eligible for a performance based option grant. The target amount of such grant is based on the Company’s achievement of its performance goals and your individual performance for the fiscal year. The Board or its designee, in its sole discretion, shall determine whether goals have been achieved and whether an option grant will be awarded.

Benefits: You may participate in any and all benefit programs that the Company establishes and makes available to its employees from time to time, provided that you are eligible under (and subject to all provisions of) the plan documents governing those programs, including the Company’s 401(k) plan, which is currently being offered through Fidelity Investments. Enclosed is a summary of the benefits that are currently provided to the employees of Constellation Pharmaceuticals. Please note that the benefits made available by the Company, and the rules, terms, and conditions for participation in such benefit plans, may be changed by the Company at any time, and from time to time without advance notice.

Change In Control: The Company has adopted a Change in Control Severance Plan (the “Plan”), in which you are eligible to participate and that will be provided to you under separate cover. The Plan is the sole agreement between the Company and you governing any compensation and/or benefits, equity or otherwise, that you may be eligible to receive if your employment with the Company (or its successor in a “Change in Control” (as defined in the Plan) is terminated other than for “Cause” (as defined in the Plan) or terminates for “Good Reason” (as defined in the Plan) during the Protected Period (as defined in the Plan), but not in the event of death or disability. In the event there is a conflict between the terms of this offer letter and the terms of the Plan, the terms of the Plan shall govern. For the avoidance of doubt, if you are eligible for benefits under the Plan, you will not be eligible to receive the Severance Benefits (as defined below) or the Additional Severance Benefit (as defined below). The vesting under the Plan will apply to both the Initial Option and the Performance Grant.
Employment At-Will: This offer letter is not intended to create or constitute an employment agreement or contract between you and Constellation for any definite period of time and shall not be construed as an agreement, either express or implied, to employ you for any stated term. If you accept the Company’s offer of employment, your employment with the Company will be on an “at-will” basis, meaning that both the Company and you remain free to end the employment relationship for any reason, at any time, with or without cause or notice. Although your job duties, title, compensation and benefits, as well as the Company’s personnel policies and procedures, may change from time to time, the “at-will” nature of your employment may only be changed by a written agreement signed by you and the CEO that expressly states the intention to modify the at-will nature of your employment. Similarly, nothing in this letter shall be construed as an agreement, either express or implied, to pay you any compensation or grant you any benefit beyond the end of your employment with the Company, except as otherwise explicitly set forth herein.

Severance Benefits Not in Connection With a Change in Control:

Without limiting the at-will nature of your employment with the Company, in the event that, outside of the Protected Period (as defined in the Plan), Constellation terminates your employment without Cause (as defined below) or you resign your employment for Good Reason (as defined below), and subject to the Severance Conditions set forth below, Constellation shall: (i) pay you in one lump sum a severance payment equivalent to (x) twelve (12) months of your then current base salary which amount shall, if your separation occurs prior to the one-year anniversary of your start date, be multiplied by (y) a fraction the numerator of which is the number of days from the start date through and including the date employment ends and the denominator of which is 365, less all applicable taxes and withholdings (the “Severance Pay”); and (ii) if you are eligible for and timely elect to continue receiving group medical and/or dental insurance under COBRA, until the earlier of (x) the date that is twelve (12) months following your separation date, and (y) the date on which you obtain alternative coverage (as applicable, the “COBRA Contribution Period”), continue to pay the share of the premiums for such coverage to the same extent it was paying such premiums on your behalf immediately prior to your separation date (though if, as a result of a change in legal requirements, the Company’s provision of payments for COBRA will violate the nondiscrimination requirements of applicable law, this COBRA benefit will not apply) (collectively, the “Severance Benefits”).

The Company’s obligation to provide you with the Severance Benefits is contingent upon your entering into a Severance and Release of Claims Agreement (the "Severance Agreement") in a form to be provided by the Company (which will include, at a minimum, a release of all releasable claims you may have and your agreement to non-disparagement, confidentiality, and cooperation obligations). The Severance Agreement must be signed by you, and any applicable revocation period with respect thereto must have expired, by the 60th day following the end of your employment (or such shorter period as the Company may specify). Payment of the Severance Pay will be made on the first regular payday after the Severance Agreement becomes effective; provided, however, that if the 60th day following your separation date occurs in the calendar year following the year of your separation, then payment shall not be made before January 1 of such subsequent calendar year.
Cause: For purposes of this offer letter, “Cause” shall mean (i) a material breach of any material term of any applicable offer letter or agreement between you and the Company, including the Employee Non-Competition, Non-Solicitation, Confidentiality and Assignment Agreement referred to below, (ii) your plea of guilty or nolo contendere to, or your conviction of, a felony offense or a crime of dishonesty, (iii) your repeated unexplained or unjustified absences, refusals or failures to carry out the lawful directions of the Board or the CEO, or (iv) your willful misconduct that results or is reasonably likely to result in material harm to the Company.

Good Reason: For purposes of this offer letter, “Good Reason” shall mean (i) a material reduction of your base salary, (ii) a material diminution of your authority, duties, or responsibilities, (iii) a requirement that your principal place of providing services to the Company change by more than 50 miles, other than in a direction that reduces your daily commuting distance; or (iv) any material breach by the Company of a material provision of any agreement between you and the Company under which you provide services. Notwithstanding the occurrence of any of the foregoing events or circumstances, a resignation shall not be deemed to constitute resignation for Good Reason unless (x) you give the Company a written notice of the purported Good Reason (no more than 90 days after the initial existence of such event or circumstance), (y) such event or circumstance has not been fully corrected (and you have not been reasonably compensated for any losses or damages resulting therefrom) within 30 days following the Company’s receipt of such notice, and (z) if the Company does not correct, you end your employment not more than 30 days following the period to correct in (y).

Payments Subject to Section 409A: This offer letter, and any payments or other benefits under this offer letter, is intended to comply, to the extent applicable, with the provisions of Section 409A of the Internal Revenue Code of 1986, as amended (“Section 409A”) and shall, to the extent practicable, be construed in accordance with such section and consistent with Exhibit A to this offer letter.

Employment Eligibility: This offer of employment is contingent upon satisfactory reference checks, your signing Constellation’s standard form of Employee Non-Competition, Non-Solicitation, Confidentiality and Assignment Agreement (the “Non-Compete”), a copy of which is enclosed, and I-9 Employment Verification. You will be required to submit documentation that establishes your identity and employment eligibility in accordance with the US Immigration and Naturalization requirements within the first three days of your employment with the Company.

Company Policies and Procedures: As an employee of the Company, you will be required to comply with all Company policies and procedures. Violations of the Company’s policies may lead to immediate termination of your employment. Further, the Company’s premises, including all workspaces, furniture, documents, and other tangible materials, and all information technology resources of the Company (including computers, data and other electronic files, and all internet and email) are subject to oversight and inspection by the Company at any time. Company employees should have no expectation of privacy with regard to any Company premises, materials, resources, or information.

Miscellaneous: You represent that you are not bound by any employment contract, restrictive covenant or other restriction preventing you from entering into employment with or carrying out your responsibilities for the Company, or which is in any way inconsistent with the terms of this letter. If there are any agreements of any type that you are aware of which may impact or limit your ability to perform your job at the Company, please let us know as soon as possible.
Please note that this offer letter is your formal offer of employment and supersedes any and all prior or contemporaneous agreements, discussions and understandings, whether written or oral, relating to the subject matter of this letter or your employment with the Company. The resolution of any disputes under this letter will be governed by Massachusetts law.

Please indicate your acceptance of this offer by signing in the appropriate space below and returning a signed copy of this offer letter along with a signed copy of the Non-Compete to the attention of Brenda Sousa at Constellation Pharmaceuticals. We will discuss a formal start date and transition plan upon your acceptance of this offer.

We are all very excited about the opportunity to work with you, Emma. Feel free to contact Brenda Sousa or me if you have any questions or need more information. On behalf of all our team members, let me extend a sincere welcome.

Sincerely,

/s/ Jigar Raythatha  
Jigar Raythatha  
President & CEO  
Constellation Pharmaceuticals, Inc.

The foregoing correctly sets forth the terms of my at-will employment with Constellation Pharmaceuticals, Inc. I am not relying on any representations other than those set forth above.

/s/ Emma Reeve  ___________________________  10/15/17
Emma Reeve  Date

Enclosures:
~Summary of Constellation Benefits
~Constellation’s Employee Non-Competition, Non-Solicitation, Confidentiality and Assignment Agreement
Exhibit A

Payments Subject to Section 409A

The following rules shall apply with respect to distribution of the payments and benefits, if any, to be provided under this offer letter:

(a) It is intended that each installment of the severance payments and benefits provided under this offer letter shall be treated as a separate “payment” for purposes of Section 409A of the Internal Revenue Code and the guidance issued thereunder (“Section 409A”). Neither you nor Constellation shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A.

(b) If, as of the date of your “separation from service” from Constellation, you are not a “specified employee” (within the meaning of Section 409A), then each installment of the severance payments and benefits shall be made on the dates and terms set forth in this offer letter.

(c) If, as of the date of your “separation from service” from Constellation, you are a “specified employee” (within the meaning of Section 409A), then:

(i) Each installment of the severance payments and benefits due under this offer letter that is paid within the short-term deferral period (as defined under Section 409A) shall be treated as a short-term deferral within the meaning of Treasury Regulation Section 1.409A-1(b)(4) to the maximum extent permissible under Section 409A and shall be made on the dates and terms set forth in this offer letter; and

(ii) Each installment of the severance and benefits due under this offer letter that is not described in paragraph (i) above and that would, absent this subsection, be paid within the six-month period following your “separation from service” from Constellation shall not be paid until the date that is six months and one day after such separation from service, (or, if earlier, upon your death), with any such installments that are required to be delayed being accumulated during the six-month period and paid in a lump sum on the date that is six months and one day following your separation from service and any subsequent installments, if any, being paid in accordance with the dates and terms set forth herein; provided, however, that the preceding provisions of this sentence shall not apply to any installment of severance payments and benefits if any to the maximum extent that such installment is deemed to be paid under a separation pay plan that does not provide for a deferral of compensation by reason of the application of Treasury Regulation Section 1.409A-1(b)(iii) (relating to separation pay upon an involuntary “separation from service”. Any installments that qualify for the exception under Treasury Regulation Section 1.409A-1(b)(9)(iii) must be paid no later than the last day of your second taxable year following the taxable year in which separation from service occurs.
(d) The determination of whether and when your separation from service from Constellation has occurred shall be made and in a manner consistent with, and based on the presumptions set forth in, Treasury Regulation Section 1.409A-1(h). Solely for purposes of this paragraph (d), “Constellation” shall include all persons with whom Constellation would be considered a single employer under Sections 414(b) and 414(c) of the Code.

(e) All reimbursements and in-kind benefits provided under this offer letter shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A, including, where applicable the requirement that (i) any reimbursement is for expenses incurred during your lifetime (or during a shorter period of time specified in this offer letter), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred and (iv) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit.

(f) Notwithstanding anything to the contrary in this offer letter, any payment or benefit under this offer letter or otherwise that may be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9)(v)(A) or (C) (relating to certain reimbursements and in-kind benefits) shall be paid or provided to you only to the extent that the expenses are not incurred, or the benefits are not provided, beyond the last day of the second calendar year following the calendar year in which your “separation from service” occurs; and provided further that such expenses are reimbursed no later than the last day of the third calendar year following the calendar year in which your “separation from service” occurs.
Adrian Senderowicz, MD

Dear Adrian,

You are employed by Constellation Pharmaceuticals, Inc., a Delaware corporation (the “Company”) pursuant to that certain offer letter, by and between you and the Company dated July 6, 2017 (the “Original Offer Letter”).

If you accept this letter (the “Amended and Restated Offer Letter”) by signing below, then, effective as of the commencement of trading of the Company’s common stock on the Nasdaq Stock Market (the “Effective Date”), the following terms shall apply to your continued employment with the Company, which terms shall amend, restate and supersede in their entirety any terms contained in the Original Offer Letter:

**Employment:** As of the Effective Date, you will continue to be employed to serve on a full-time basis in the position of Senior Vice President & Chief Medical Officer, reporting to the Chief Executive Officer (“CEO”). You agree to devote your full business time, best efforts, skill, knowledge, attention, and energies to the advancement of the Company’s business and interests and to the performance of your duties and responsibilities as an employee of the Company. Notwithstanding the foregoing, you may continue to serve as a member of the Board of Directors of Puma Technologies, Inc. provided that such service does not interfere in any material respect with the performance of your duties for the Company and does not create a conflict of interest.

**Base Salary:** As of the Effective Date, your base salary will be at the rate of $15,251.69 per bi-weekly pay period (which if annualized equals $396,544), less all applicable taxes and withholdings and which will be paid in accordance with the Company’s regular payroll practices, subject to adjustment at the discretion of the Board of Directors of the Company (the “Board”).

**Annual Discretionary Bonus:** Following the end of each fiscal year, and provided that the Board approves funding an annual bonus pool for such fiscal year, you will be eligible for a retention and performance bonus (the “Performance Bonus”). The target amount of such Performance Bonus will be 40% of your annualized base salary for the applicable fiscal year, based on the Company’s achievement of its performance goals and your achievement of your performance goals for the fiscal year. The Board or its designee, in its sole discretion, shall determine whether goals have been achieved and whether a Performance Bonus will be awarded. Any Performance Bonus will be paid to you following the close of the fiscal year to which it relates (but in no event later than March 15th). In any event, you must be an active employee of the Company on the date any Performance Bonus is distributed in order to be eligible for and to earn a bonus award, as it also serves as an incentive to remain employed by the Company.

**Sign on Bonus:** In connection with the commencement of your employment under the Original Offer Letter, you received a one-time sign-on bonus in the amount of $50,000.00, less all applicable taxes and withholdings. Please note that if, prior to the one-year anniversary of July 10, 2017 (the “start date”), you resign your employment without Good Reason (as defined below) or your employment is terminated for Cause (as defined below), you will be required to repay the Company (within thirty (30) days following your separation date) an amount equal to $4,166.66 per complete calendar month remaining between your separation date and the one-year anniversary of the start date.
Withholdings: All compensation payable to you shall be subject to applicable taxes and withholdings.

Initial Stock Option Grant: In connection with the commencement of your employment, you were granted an option to purchase 1,600,000 shares of the Company’s common stock (the “Initial Option”), at a price equal to the fair market value of the common stock on the date of the grant, as determined by the Board. This Initial Option is subject to the standard terms and conditions of the Constellation Pharmaceuticals Stock Option Plan and the stock option agreement provided in connection therewith. As set forth in the stock option agreement, the Initial Option vests over four years at the rate of 25% after twelve months of active employment beginning with the start date and an additional 6.25% per quarter in accordance with the specific terms provided in the stock option agreement.

Subsequent Stock Option Grant: You have been granted an option to purchase up to an additional 800,000 shares of the Company’s common stock (the “Subsequent Grant”), at a price equal to the fair market value of the common stock on the date of the grant, as determined by the Board. This Subsequent Grant is subject to the standard terms and conditions of the Constellation Pharmaceuticals Stock Option Plan and the stock option agreement provided in connection therewith. Pursuant to this Amended and Restated Offer Letter and an amendment to the applicable stock option agreement, as of the Effective Date, 100,000 of the shares subject to the option will continue to vest at the rate of 6.25% per quarter with a vesting start date of July 10, 2017 and the remaining 700,000 of the shares subject to the option will vest over four years, from the Effective Date, at the rate of 6.25% per quarter, each subject to your continued employment with the Company.

Benefits: You may participate in any and all benefit programs that the Company establishes and makes available to its employees from time to time, provided that you are eligible under (and subject to all provisions of) the plan documents governing those programs, including the Company’s 401(k) plan, which is currently being offered through Fidelity Investments. We have provided you with a summary of the benefits that are currently provided to the employees of Constellation Pharmaceuticals. Please note that the benefits made available by the Company, and the rules, terms, and conditions for participation in such benefit plans, may be changed by the Company at any time, and from time to time without advance notice.

Change In Control: The Company has adopted a Change in Control Severance Plan (the “Plan”), in which you are eligible to participate and that has been provided to you under separate cover. The Plan is the sole agreement between the Company and you governing any compensation and/or benefits, equity or otherwise, that you may be eligible to receive if your employment with the Company (or its successor in a “Change in Control” (as defined in the Plan) is terminated other than for “Cause” (as defined in the Plan) or terminates for “Good Reason” (as defined in the Plan) during the Protected Period (as defined in the Plan), but not in the event of death or disability. In the event there is a conflict between the terms of this Amended and Restated Offer Letter and the terms of the Plan, the terms of the Plan shall govern. For the avoidance of doubt, if you are eligible for benefits under the Plan, you will not be eligible to receive the Severance Benefits (as defined below) or the Additional Severance Benefit (as defined below). The vesting under the Plan will apply to both the Initial Option and the Subsequent Grant.
Employment At-Will: This Amended and Restated Offer Letter is not intended to create or constitute an employment agreement or contract between you and Constellation for any definite period of time and shall not be construed as an agreement, either express or implied, to employ you for any stated term. If you accept the Company’s offer of continued employment on the terms set forth herein, your employment with the Company will continue to be on an “at-will” basis, meaning that both the Company and you remain free to end the employment relationship for any reason, at any time, with or without cause or notice. Although your job duties, title, compensation and benefits, as well as the Company’s personnel policies and procedures, may change from time to time, the “at-will” nature of your employment may only be changed by a written agreement signed by you and the CEO that expressly states the intention to modify the at-will nature of your employment. Similarly, nothing in this Amended and Restated Offer Letter shall be construed as an agreement, either express or implied, to pay you any compensation or grant you any benefit beyond the end of your employment with the Company, except as otherwise explicitly set forth herein.

Severance Benefits Not in Connection With a Change in Control:

Without limiting the at-will nature of your employment with the Company, in the event that, outside of the Protected Period (as defined in the Plan), Constellation terminates your employment without Cause (as defined below) or you resign your employment for Good Reason (as defined below), and subject to the Severance Conditions set forth below, Constellation shall: (i) pay you in one lump sum a severance payment equivalent to (x) twelve (12) months of your then current base salary which amount shall, if your separation occurs prior to the one-year anniversary of your start date, be multiplied by (y) a fraction the numerator of which is the number of days from the start date through and including the date employment ends and the denominator of which is 365, less all applicable taxes and withholdings (the “Severance Pay”); and (ii) if you are eligible for and timely elect to continue receiving group medical and/or dental insurance under COBRA, until the earlier of (x) the date that is twelve (12) months following your separation date, and (y) the date on which you obtain alternative coverage (as applicable, the “COBRA Contribution Period”), continue to pay the share of the premiums for such coverage to the same extent it was paying such premiums on your behalf immediately prior to your separation date (though if, as a result of a change in legal requirements, the Company’s provision of payments for COBRA will violate the nondiscrimination requirements of applicable law, this COBRA benefit will not apply) (collectively, the “Severance Benefits”). In addition, if (a) a new CEO commences employment with the Company prior to the one-year anniversary of your start date, and (b) the Company terminates your employment without Cause prior to the one-year anniversary of your start date and (c) the date of such termination occurs outside of the Protected Period (as defined in the Plan), then, subject to the Severance Conditions, instead (and in lieu) of the prorated Severance Pay set forth in clause (i) above, you will receive a lump sum severance payment equal to twelve (12) months of your then current base salary, and the Initial Option and the Subsequent Grant shall vest and become immediately exercisable based on 2.0833% of the number of shares under the Initial Option and the Subsequent Grant times the number of full calendar months elapsed since the start date as of the date of termination (together, the “Additional Severance Benefit”) and any remaining portions of the Initial Option and the Subsequent Grant will immediately expire.

The Company’s obligation to provide you with the Severance Benefits and/or the Additional Severance Benefit is contingent upon your entering into a Severance and Release of Claims Agreement (the “Severance Agreement”) in a form to be provided by the Company (which will include, at a minimum, a release of all releasable claims you may have and your agreement to non-disparagement, confidentiality, and cooperation obligations). The Severance Agreement must be signed by you, and any applicable revocation period with respect thereto must have expired, by the
60th day following the end of your employment (or such shorter period as the Company may specify). Payment of the Severance Pay will be made on the first regular payday after the Severance Agreement becomes effective; provided, however, that if the 60th day following your separation date occurs in the calendar year following the year of your separation, then payment shall not be made before January 1 of such subsequent calendar year.

Cause: For purposes of this Amended and Restated Offer Letter, “Cause” shall mean (i) a material breach of any material term of any applicable offer letter or agreement between you and the Company, including the Employee Non-Competition, Non-Solicitation, Confidentiality and Assignment Agreement referred to below, (ii) your plea of guilty or nolo contendere to, or your conviction of, a felony offense or a crime of dishonesty, (iii) your repeated unexplained or unjustified absences, refusals or failures to carry out the lawful directions of the Board or the CEO, or (iv) your willful misconduct that results or is reasonably likely to result in material harm to the Company.

Good Reason: For purposes of this Amended and Restated Offer Letter, “Good Reason” shall mean (i) a material reduction of your base salary, (ii) a material diminution of your authority, duties, or responsibilities, (iii) a requirement that your principal place of providing services to the Company change by more than 50 miles, other than in a direction that reduces your daily commuting distance; or (iv) any material breach by the Company of a material provision of any agreement between you and the Company under which you provide services. Notwithstanding the occurrence of any of the foregoing events or circumstances, a resignation shall not be deemed to constitute resignation for Good Reason unless (x) you give the Company a written notice of the purported Good Reason (no more than 90 days after the initial existence of such event or circumstance), (y) such event or circumstance has not been fully corrected (and you have not been reasonably compensated for any losses or damages resulting therefrom) within 30 days following the Company’s receipt of such notice, and (z) if the Company does not correct, you end your employment not more than 30 days following the period to correct in (y).

Payments Subject to Section 409A: This Amended and Restated Offer Letter, and any payments or other benefits under this Amended and Restated Offer Letter, is intended to comply, to the extent applicable, with the provisions of Section 409A of the Internal Revenue Code of 1986, as amended (“Section 409A”) and shall, to the extent practicable, be construed in accordance with such section and consistent with Exhibit A to this Amended and Restated Offer Letter.

Employment Eligibility: You hereby acknowledge that your continued employment with the Company is conditioned upon your continued compliance with the Employee Non-Competition, Non-Solicitation, Confidentiality and Assignment Agreement that you previously signed as a condition of your employment with the Company, which agreement remains in full force and effect, and which you hereby reaffirm.

Company Policies and Procedures: As an employee of the Company, you will be required to comply with all Company policies and procedures. Violations of the Company’s policies may lead to immediate termination of your employment. Further, the Company’s premises, including all workspaces, furniture, documents, and other tangible materials, and all information technology resources of the Company (including computers, data and other electronic files, and all internet and email) are subject to oversight and inspection by the Company at any time. Company employees should have no expectation of privacy with regard to any Company premises, materials, resources, or information.
Miscellaneous: You represent that you are not bound by any employment contract, restrictive covenant or other restriction preventing you from continuing employment with or carrying out your responsibilities for the Company, or which is in any way inconsistent with the terms of this Amended and Restated Offer Letter.

Please note that this Amended and Restated Offer Letter is your formal offer of continued employment and supersedes any and all prior or contemporaneous agreements, discussions and understandings, whether written or oral, relating to the subject matter of this Amended and Restated Offer Letter or your employment with the Company, including without limitation the Original Offer Letter. The resolution of any disputes under this Amended and Restated Offer Letter will be governed by Massachusetts law.

If you agree with the provisions of this Amended and Restated Offer Letter, please sign the enclosed duplicate of this Amended and Restated Offer Letter in the space provided below and return it to Brenda Sousa no later than [                ].

Sincerely,

Jigar Raythatha
President & CEO
Constellation Pharmaceuticals, Inc.

The foregoing correctly sets forth the terms of my at-will employment with Constellation Pharmaceuticals, Inc. I am not relying on any representations other than those set forth above.

Adrian Senderowicz, MD ________________________ Date ________________________
Exhibit A
Payments Subject to Section 409A

The following rules shall apply with respect to distribution of the payments and benefits, if any, to be provided under this offer letter:

(a) It is intended that each installment of the severance payments and benefits provided under this offer letter shall be treated as a separate “payment” for purposes of Section 409A of the Internal Revenue Code and the guidance issued thereunder (“Section 409A”). Neither you nor Constellation shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A.

(b) If, as of the date of your “separation from service” from Constellation, you are not a “specified employee” (within the meaning of Section 409A), then each installment of the severance payments and benefits shall be made on the dates and terms set forth in this offer letter.

(c) If, as of the date of your “separation from service” from Constellation, you are a “specified employee” (within the meaning of Section 409A), then:

(i) Each installment of the severance payments and benefits due under this offer letter that is paid within the short-term deferral period (as defined under Section 409A) shall be treated as a short-term deferral within the meaning of Treasury Regulation Section 1.409A-1(b)(4) to the maximum extent permissible under Section 409A and shall be made on the dates and terms set forth in this offer letter; and

(ii) Each installment of the severance and benefits due under this offer letter that is not described in paragraph (i) above and that would, absent this subsection, be paid within the six-month period following your “separation from service” from Constellation shall not be paid until the date that is six months and one day after such separation from service, (or, if earlier, upon your death), with any such installments that are required to be delayed being accumulated during the six-month period and paid in a lump sum on the date that is six months and one day following your separation from service and any subsequent installments, if any, being paid in accordance with the dates and terms set forth herein; provided, however, that the preceding provisions of this sentence shall not apply to any installment of severance payments and benefits if any to the maximum extent that such installment is deemed to be paid under a separation pay plan that does not provide for a deferral of compensation by reason of the application of Treasury Regulation Section 1.409A-1(b)(iii) (relating to separation pay upon an involuntary “separation from service”. Any installments that qualify for the exception under Treasury Regulation Section 1.409A-1(b)(9)(iii) must be paid no later than the last day of your second taxable year following the taxable year in which separation from service occurs.
The determination of whether and when your separation from service from Constellation has occurred shall be made and in a manner consistent with, and based on the presumptions set forth in, Treasury Regulation Section 1.409A-1(h). Solely for purposes of this paragraph (d), “Constellation” shall include all persons with whom Constellation would be considered a single employer under Sections 414(b) and 414(c) of the Code.

All reimbursements and in-kind benefits provided under this offer letter shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A, including, where applicable the requirement that (i) any reimbursement is for expenses incurred during your lifetime (or during a shorter period of time specified in this offer letter), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred and (iv) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit.

Notwithstanding anything to the contrary in this offer letter, any payment or benefit under this offer letter or otherwise that may be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9)(v)(A) or (C) (relating to certain reimbursements and in-kind benefits) shall be paid or provided to you only to the extent that the expenses are not incurred, or the benefits are not provided, beyond the last day of the second calendar year following the calendar year in which your “separation from service” occurs; and provided further that such expenses are reimbursed no later than the last day of the third calendar year following the calendar year in which your “separation from service” occurs.
Exhibit 10.21
Constellation Pharmaceuticals, Inc.
Amended and Restated Change in Control Severance Plan
___________________, 2018

1. Establishment of Plan. Constellation Pharmaceuticals, Inc. (the “Company” or “Constellation”) hereby establishes this Amended and Restated Change in Control Severance Plan, an unfunded severance benefits plan, (the “Plan”) that is intended to be a welfare benefit plan within the meaning of Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). The Plan amends and restates in its entirety the Change in Control Severance Plan adopted by the Company on September 23, 2010 and amended on January 5, 2012 and is in effect for covered employees whose employment is terminated involuntarily in connection with a Change in Control (defined below) occurring after __________, 2018 (the “Effective Date”) and before the termination of this Plan. This Plan supersedes any and all severance plans or separation policies applying to covered employees that may have been in effect before the effective date of this Plan throughout the Company with respect to any termination of employment during the Protected Period (as defined below). However, it is not intended to supersede, but may supplement, individual written agreements that provide for severance in lieu of benefits under general severance policies or plans.

2. Purpose. The purpose of the Plan is to establish the conditions under which covered employees (defined below) will receive severance benefits described herein if employment with the Company (or its successor in a Change in Control) is terminated other than for “Cause” during the Protected Period. The severance benefits paid under the Plan are intended to assist employees in making a transition to new employment and are not intended to be a reward for prior service with the Company.

3. Coverage. Covered employees may be entitled to receive the severance benefits under the Plan if they are terminated without “Cause” (defined below) within the period beginning with the date of a letter of intent or similar agreement that does lead to a Change in Control through the one-year anniversary of the Change in Control event (the “Protected Period”). In addition, in order to receive the severance benefits under the Plan, covered employees must meet the eligibility and other requirements provided below in Sections 5 and 6 of the Plan. A covered employee who is a Company officer, holding the title of vice president or above (“Officer”), is also eligible to receive severance benefits under the Plan if such Officer terminates his employment for “Good Reason” (defined below) during the Protected Period.

A. Covered employees are all regular full-time and regular part-time employees (both exempt and non-exempt) whose employment with the Company is terminated without Cause (or for Officers, without Cause or for Good Reason) during the Protected Period (“covered employees” or “participants”) and who are designated as eligible to receive severance benefits under the Plan as provided in Section 5. Temporary employees are not eligible for severance benefits under the Plan.
B. For the purpose of this Plan, “regular full-time employees” are employees, other than temporary employees, normally scheduled to work at least 40 hours a week unless the Company’s local practices, as from time to time in force, whether or not in writing, establish a different hours threshold for regular full-time employees. “Regular part-time employees” are employees, other than temporary employees, treated as such by the Company, whether or not in writing. Regular part-time employees will be considered covered employees for purposes of the Plan. “Temporary employees” are employees treated as such by the Company, whether or not in writing. An employee’s part-time, full-time or temporary status for the purpose of this Plan is determined by the Company upon review of the employee’s status immediately before termination.

C. Any person who is classified by the Company as an independent contractor or third party employee is not eligible for severance benefits even if such classification is modified retroactively.

4. Definitions. For purposes of this Plan,

A. “Change in Control” shall mean the occurrence of any of the following events, provided that such event or occurrence constitutes a change in the ownership or effective control of Constellation, or a change in the ownership of a substantial portion of the assets of Constellation, as defined in Treasury Regulation §§1.409A-3(i)(5)(v), (vi) and (vii): (i) any merger or consolidation that results in the voting securities of Constellation outstanding immediately prior thereto representing (either by remaining outstanding or by being converted into voting securities of the surviving or acquiring entity) less than 50% of the combined voting power of the voting securities of Constellation or such surviving or acquiring entity outstanding immediately after such merger or consolidation; (ii) any sale of all or substantially all of the assets of Constellation; (iii) the complete liquidation or dissolution of Constellation; or (iv) the acquisition of “beneficial ownership” (as defined in Rule 13d-3 under the Exchange Act) of securities of Constellation representing 50% or more of the combined voting power of Constellation’s then outstanding securities (other than through a merger or consolidation or an acquisition of securities directly from Constellation) by any “person,” as such term is used in Sections 13(d) and 14(d) of the Exchange Act, other than Constellation, any trustee or other fiduciary holding securities under an employee benefits plan of Constellation or any corporation owned directly or indirectly by the stockholders of Constellation in substantially the same proportion as their ownership of stock of Constellation.

B. “Cause” shall mean (i) a material breach of any material term of any applicable offer letter or the Employee Non-Competition, Non-Solicitation, Confidentiality and Assignment Agreement referred to below, (ii) a plea of guilty or nolo contendere to, or conviction of, the commission of a felony offense or a crime of dishonesty, (iii) repeated unexplained or unjustified absences, refusals or failures to carry out the lawful directions of the Board of Directors of the Company (the “Board”) or the Chief Executive Officer, or the employee’s supervisor, or (iv) willful misconduct that results or is reasonably likely to result in material harm to Constellation.
“Good Reason” is defined as: (1) a material diminution in the Officer’s base compensation; (2) a material diminution in the Officer’s authority, duties, or responsibilities; (3) a material diminution in the authority, duties, or responsibilities of the employee to whom the Officer is required to report, including a requirement that an Officer report to a corporate officer or employee instead of reporting directly to the Board (or similar governing body with respect to an entity other than a corporation); (4) a material diminution in the budget over which the Officer retains authority; (5) a material change in the geographic location at which the Officer must perform the services; or (6) any other action or inaction that constitutes a material breach by the Company of any agreement under which the Officer provides services.

In order to establish a “Good Reason” for terminating employment, an Officer must provide written notice to the Company of the existence of the condition giving rise to the Good Reason, which notice must be provided within 90 days of the initial existence of such condition, the Company must fail to cure the condition within 30 days thereafter, and an Officer’s termination of employment must occur no later than one year following the initial existence of the condition giving rise to Good Reason.

5. Eligibility for Severance Benefits. To receive severance benefits under the Plan, a covered employee must be specifically identified by the Company as eligible to receive severance benefits. The following covered employees will generally not be eligible for severance benefits: (1) an employee who is terminated for Cause; (2) an employee who retires, terminates employment as a result of an inability to perform his duties due to physical or mental disability or dies; (3) an employee who voluntarily terminates his employment, except a termination for Good Reason as specified above by an Officer; (4) an employee who is employed for a specific period of time in accordance with the terms of a written employment agreement; (5) an employee who promptly becomes employed by another member of the controlled group of entities of which Constellation (or its successor in the Change in Control) is a member as defined in Sections 414(b) and (c) of the Internal Revenue Code of 1986, as amended (“Code”); and (6) an employee who loses employment in connection with a Change in Control event, outsourcing arrangement or other corporate transaction and who accepts employment with an acquirer of any of the businesses, operations or assets of the Company or refuses an offer of such employment in a position providing comparable responsibilities and compensation.

6. Severance Benefits. Receipt of any severance benefits under the Plan requires that the participant (1) comply with the provisions of any applicable noncompetition, nonsolicitation, and other obligations to the Company, and (2) execute and deliver a suitable waiver and release under which the participant releases and discharges the Company and its affiliates from and on account of any and all claims that relate to or arise out of the employment relationship between the Company and the participant (“the Release”) which Release becomes binding within 60 days following the participant’s termination of employment. The “Severance Pay” (as defined below) will be paid in a lump sum and the “Benefits Continuation” (as defined below) will be paid in the amount and at the time such premium payments are made by other participants in the Company’s health benefit plans with the same coverage. The payments shall be made or commence within 10 business days after the Release becomes irrevocable.
The covered employee’s unvested equity grants (as described under “Equity Acceleration” below), shall immediately vest or the substantial risk of forfeiture shall lapse, as applicable, upon the covered employee’s termination from employment that gives rise to severance benefits under this Plan; provided that (x) the employee may not exercise or dispose of any such otherwise unvested portions of the equity grants until the Release has become binding (as provided above) and (y) provided further that, if the Release does not become binding within such 60 days the portion of the employee’s equity grants that became vested or with respect to which the substantial risk of forfeiture lapsed pursuant to the earlier part of this sentence shall expire or be forfeited, as applicable, as of the date of termination from employment.

7. Cash Severance. The cash portion of the severance benefits to be paid (“Severance Pay”) will equal: (1) the participant’s target bonus that has been established for the year of termination (or is established thereafter, basing the target bonus for such participant on the position held by the participant prior to employment termination), if any, multiplied by the “Multiple of Target Bonus”, as provided in the table below; and (2) the amount of the participant’s monthly base salary multiplied by the “Severance Period,” as provided in the table below. In calculating the Severance Pay, the “base salary” shall be the base rate of pay as in effect immediately before termination (or prior to the Change of Control, if greater) and exclusive of any bonuses, overtime pay, shift differentials, “adders,” any other form of premium pay, or other forms of compensation.

<table>
<thead>
<tr>
<th>Job title of participant</th>
<th>Multiple of Target Bonus</th>
<th>Severance period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer</td>
<td>1.5</td>
<td>18 months</td>
</tr>
<tr>
<td>Vice President and above</td>
<td>1</td>
<td>12 months</td>
</tr>
<tr>
<td>Directors up to but not including Vice Presidents</td>
<td>.5</td>
<td>6 months</td>
</tr>
<tr>
<td>All other participants</td>
<td>.25</td>
<td>3 months plus one week for every “Year of Service” (as defined below)</td>
</tr>
</tbody>
</table>

The covered employee’s years of service (“Years of Service”) with the Company are calculated by dividing the total number of days between and including an employee’s hire date and termination date by 365 and taking that number to the second decimal point. If the covered employee has been rehired after a break in continuous service, the employee’s Years of Service are calculated from the most recent hire date.

8. Other Severance Benefits. In addition to the forgoing Severance Pay, the severance benefits under the Plan shall include the following benefits:

A. Company contributions to the cost of COBRA (Consolidated Omnibus Budget Reconciliation Act) coverage on behalf of the participant and any applicable dependents for no longer than the Severance Period if the participant elects COBRA coverage, and only so long as such coverage continues in force. Such costs shall be determined on the same basis as the Company’s contribution to
Company-provided health and dental insurance coverage in effect immediately before the participant’s termination for an active employee with the same coverage elections; provided that if the participant commences new employment and is eligible for a new group health plan, the Company’s continued contributions toward health and dental coverage shall end when the new employment begins ("Benefits Continuation"); and

B. Full vesting of all of the participant’s unvested equity grants ("Equity Acceleration").

C. The amount of any bonus for the prior year that was approved but not yet paid to the participant at the time of the participant’s termination of employment, or, if not yet approved, then the amount that is approved subsequent to such termination (determined without regard to the participant’s termination of employment), paid in a manner and timing consistent with the payments to other similarly situated employees and consistent with the requirements of Section 409A of the Code.

9. Recoupment. If a participant fails to comply with the terms of the Plan, including the provisions of Section 6 above, the Company may require payment to the Company of any Severance Pay, Benefits Continuation or value upon vesting of unvested equity grants under the provision for Equity Acceleration that the participant has already received to the extent permitted by applicable law and with the “value” determined in the sole discretion of the Plan Administrator. Payment is due in cash or by check within 10 days after the Company provides notice to a participant that it is enforcing this provision. Any Severance Pay, Benefits Continuation or Equity Acceleration not yet received will also be immediately forfeited.

10. Withholding. The Company may withhold from any payment or benefit under the Plan: (1) any federal, state, or local income or payroll taxes required by law to be withheld with respect to such payment; (2) such sum as the Company may reasonably estimate is necessary to cover any taxes for which the Company may be liable and which may be assessed with regard to such payment; and (3) such other amounts as appropriately may be withheld under the Company’s payroll policies and procedures from time to time in effect.

11. Taxes

A. Section 280G.

1. Notwithstanding any other provision of this Plan (and any amendment hereto) or any other agreements between the Company and a participant, except as set forth in Section 11.A.2 hereof, in the event that the Company undergoes a “Change in Ownership or Control” (as defined below), the Company shall not be obligated to provide the participant the portion of any “Contingent Compensation Payments” (as defined below) that the participant would otherwise be entitled to receive to the extent necessary to eliminate any “excess parachute payments” (as defined in Section 280G(b)(1) of the Code) for the participant. For purposes of this Section 11.A.1, the Contingent Compensation Payments so eliminated shall be referred to as the “Eliminated Payments” and the aggregate amount (determined in accordance with Treasury Regulation Section 1.280G-1, Q/A-30 or any successor provision) of the Contingent Compensation Payments so eliminated shall be referred to as the “Eliminated Amount.”
2. Notwithstanding the provisions of Section 11.A.1, no such reduction in Contingent Compensation Payments shall be made if (i) the Eliminated Amount (computed without regard to this sentence) exceeds (ii) 100% of the aggregate present value (determined in accordance with Treasury Regulation Section 1.280G-1, Q/A-31 and Q/A-32 or any successor provisions) of the amount of any additional taxes that would be incurred by the participant if the Eliminated Payments (determined without regard to this sentence) were paid to the participant (including, state and federal income taxes on the Eliminated Payments, the excise tax imposed by Section 4999 of the Code payable with respect to all of the Contingent Compensation Payments in excess of the participant’s “base amount” (as defined in Section 280G(b)(3) of the Code), and any withholding taxes). The override of such reduction in Contingent Compensation Payments pursuant to this Section 11.A.2 shall be referred to as a “Section 11.A.2 Override.” For purpose of this paragraph, if any federal or state income taxes would be attributable to the receipt of any Eliminated Payment, the amount of such taxes shall be computed by multiplying the amount of the Eliminated Payment by the maximum combined federal and state income tax rate provided by law.

3. For purposes of this Section 11.A, the following terms shall have the following respective meanings:

   (i) “Change in Ownership or Control” shall mean a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company determined in accordance with Section 280G(b)(2) of the Code.

   (ii) “Contingent Compensation Payment” shall mean any payment (or benefit) in the nature of compensation that is made or made available (under this Plan or otherwise) to a “disqualified individual” (as defined in Section 280G(c) of the Code) and that is contingent (within the meaning of Section 280G(b)(2)(A)(i) of the Code) on a Change in Ownership or Control of the Company.

4. Any payments or other benefits otherwise due to a participant following a Change in Ownership or Control that could reasonably be characterized (as determined by the Company) as Contingent Compensation Payments (the “Potential Payments”) shall not be made until the dates provided for in this Section 11.A.4. Within 30 days after each date on which the participant first becomes entitled to receive (whether or not then due) a Contingent Compensation Payment relating to such Change in Ownership or Control, the Company shall determine and notify the participant (with reasonable detail regarding the basis for its determinations) (i) which Potential Payments constitute Contingent Compensation Payments, (ii) the Eliminated Amount and (iii) whether the Section 11.A.2 Override is applicable. Within 30 days after delivery of such notice to the participant, the participant shall deliver a response to the Company (the “Executive Response”) stating either (a) that the participant agrees with the Company’s determination pursuant to the preceding sentence or (b) that the participant disagrees with such determination,
in which case the participant shall set forth (X) which Potential Payments should be characterized as Contingent Compensation Payments, (Y) the Eliminated Amount, and (Z) whether the Section 11.A.2 Override is applicable. In the event that the participant fails to deliver an Executive Response on or before the required date, the Company’s initial determination shall be final. If the participant states in the Executive Response that the participant agrees with the Company’s determination, the Company shall make the Potential Payments to the participant within three business days following delivery to the Company of the Executive Response (except for any Potential Payments which are not due to be made until after such date, which Potential Payments shall be made on the date on which they are due). If the participant states in the Executive Response that the participant disagrees with the Company’s determination, then, for a period of 60 days following delivery of the Executive Response, the participant and the Company shall use good faith efforts to resolve such dispute. If such dispute is not resolved within such 60-day period, such dispute shall be settled exclusively by arbitration in New York, New York, in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator’s award in any court having jurisdiction. The Company shall, within three business days following delivery to the Company of the Executive Response, make to the participant those Potential Payments as to which there is no dispute between the Company and the participant regarding whether they should be made (except for any such Potential Payments which are not due to be made until after such date, which Potential Payments shall be made on the date on which they are due). The balance of the Potential Payments shall be made within three business days following the resolution of such dispute.

5. The Contingent Compensation Payments to be treated as Eliminated Payments shall be determined by the Company by determining the “Contingent Compensation Payment Ratio” (as defined below) for each Contingent Compensation Payment and then reducing the Contingent Compensation Payments in order beginning with the Contingent Compensation Payment with the highest Contingent Compensation Payment Ratio. For Contingent Compensation Payments with the same Contingent Compensation Payment Ratio, such Contingent Compensation Payment shall be reduced based on the time of payment of such Contingent Compensation Payments with amounts having later payment dates being reduced first. For Contingent Compensation Payments with the same Contingent Compensation Payment Ratio and the same time of payment, such Contingent Compensation Payments shall be reduced on a pro rata basis (but not below zero) prior to reducing Contingent Compensation Payment with a lower Contingent Compensation Payment Ratio. The term “Contingent Compensation Payment Ratio” shall mean a fraction the numerator of which is the value of the applicable Contingent Compensation Payment that must be taken into account by the participant for purposes of Section 4999(a) of the Code, and the denominator of which is the actual amount to be received by the participant in respect of the applicable Contingent Compensation Payment. For example, in the case of an equity grant that is treated as contingent on the Change in Ownership or Control because the time at which the payment is made or the payment vests is accelerated, the denominator shall be determined by reference to the fair market value of the equity at the acceleration date, and not in accordance with the methodology for determining the value of accelerated payments set forth in Treasury Regulation Section 1.280G-1Q/A-24(b) or (c)).
6. The provisions of this Section 11.A are intended to apply to any and all payments or benefits available to the participant under this Plan or any other agreement or plan of the Company under which the participant receives Contingent Compensation Payments.

B. Section 409A. It is expected that the payments and benefits provided under this Plan will be exempt from the application of Section 409A of the Code, and the guidance issued thereunder (“Section 409A”). The Plan shall be interpreted consistent with this intent to the maximum extent permitted and generally, with the provisions of Section 409A. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Plan providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a “separation from service” within the meaning of Section 409A and, for purposes of any such provision of this Plan, references to a “termination,” “termination of employment” or like terms shall mean “separation from service”. Neither the participant nor the Company shall have the right to accelerate or defer the delivery of any payment or benefit except to the extent specifically permitted or required by Section 409A.

Notwithstanding the following, to the extent the severance benefits under this Plan are subject to Section 409A, the following rules shall apply with respect to distribution of the payments and benefits, if any, to be provided to participants under this Plan:

1. Each installment of the payments and benefits provided under this Plan will be treated as a separate “payment” for purposes of Section 409A. Whenever a payment under this Plan specifies a payment period with reference to a number of days (e.g., “payment shall be made within 10 days following the date of termination”), the actual date of payment within the specified period shall be in the Company’s sole discretion. Notwithstanding any other provision of this Plan to the contrary, in no event shall any payment under this Plan that constitutes “non-qualified deferred compensation” for purposes of Section 409A be subject to offset, counterclaim or recoupment by any other amount unless otherwise permitted by Section 409A.

2. Notwithstanding any other payment provision herein to the contrary, if the Company or appropriately-related affiliates become publicly-traded and a covered employee is deemed on the date of termination to be a “specified employee” within the meaning of that term under Code Section 409A(a)(2)(B) with respect to such entity, then each of the following shall apply:

(i) With regard to any payment that is considered “non-qualified deferred compensation” under Section 409A payable on account of a “separation from service,” such payment shall be made on the date which is the earlier of (A) the day following the expiration of the six month period measured from the date of such “separation from service” of the covered employee, and (B) the date of the covered employee’s death (the “Delay Period”) to the extent required under Section 409A. Upon the expiration of the Delay Period, all payments delayed pursuant to this provision (whether otherwise payable in a single sum or in installments in the absence of such delay) shall be paid to or for the covered employee in a lump sum, and all remaining payments due under this Plan shall be paid or provided for in accordance with the normal payment dates specified herein; and
To the extent that any benefits to be provided during the Delay Period are considered “non-qualified deferred compensation” under Section 409A payable on account of a “separation from service,” and such benefits are not otherwise exempt from Section 409A, the covered employee shall pay the cost of such benefits during the Delay Period, and the Company shall reimburse the covered employee, to the extent that such costs would otherwise have been paid by the Company or to the extent that such benefits would otherwise have been provided by the Company at no cost to the covered employee, the Company’s share of the cost of such benefits upon expiration of the Delay Period. Any remaining benefits shall be reimbursed or provided by the Company in accordance with the procedures specified in this Agreement.

3. To the extent that severance benefits pursuant to this Plan are conditioned upon a Release, the covered employee shall forfeit all rights to such payments and benefits unless such release is signed and delivered (and no longer subject to revocation, if applicable) within 60 days following the date of the termination of the covered employee’s employment with the Company. If the Release is no longer subject to revocation as provided in the preceding sentence, then the following shall apply:

(i) To the extent any severance benefits to be provided are not “non-qualified deferred compensation” for purposes of Section 409A, then such benefits shall commence upon the first scheduled payment date immediately after the date the Release is executed and no longer subject to revocation (the “Release Effective Date”). The first such cash payment shall include all amounts that otherwise would have been due prior thereto under the terms of this Agreement applied as though such payments commenced immediately upon the termination of covered employee’s employment with the Company, and any payments made after the Release Effective Date shall continue as provided herein. The delayed benefits shall in any event expire at the time such benefits would have expired had such benefits commenced immediately following the termination of covered employee’s employment with the Company.

(ii) To the extent any such severance benefits to be provided are “non-qualified deferred compensation” for purposes of Section 409A, then the Release must become irrevocable within 60 days of the date of termination and benefits shall be made or commence upon the date provided in Section 6, provided that if the 60th day following the termination of Executive’s employment with the Company falls in the calendar year containing the date of termination, the benefits will be made no earlier than the first business day of that following calendar year. The first such cash payment shall include all amounts that otherwise would have been due prior thereto under the terms of this Agreement had such payments commenced immediately upon the termination of Executive’s employment with the Company, and any payments made after the
first such payment shall continue as provided herein. The delayed benefits shall in any event expire at the time such benefits would have expired had such benefits commenced immediately following the termination of Executive’s employment with the Company.

4. The Company makes no representations or warranties and shall have no liability to any participant or any other person, other than with respect to payments made by the Company in violation of the provisions of this Plan, if any provisions of or payments under this Plan are determined to constitute deferred compensation subject to Section 409A of the Code but not to satisfy the conditions of that section.

12. Plan Administration.

A. Plan Administrator. The Plan Administrator shall be a Committee appointed by the Company following a Change in Control, which shall also serve as the Named Fiduciary of the Plan under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). The Plan Administrator shall be the “administrator” within the meaning of Section 3(16) of ERISA and shall have all the responsibilities and duties contained therein.

The Plan Administrator can be contacted at the following address:

Change in Control Severance Plan Committee/c/o Constellation Pharmaceuticals, Inc.215 First Street, Suite 200Cambridge, MA 02138

B. Decisions, Powers and Duties. The general administration of the Plan and the responsibility for carrying out its provisions shall be vested in the Plan Administrator. The Plan Administrator shall have such powers and authority as are necessary to discharge such duties and responsibilities which also include, but are not limited to, interpretation and construction of the Plan, the determination of all questions of fact, including, without limit, eligibility, participation and benefits, the resolution of any ambiguities and all other related or incidental matters, and such duties and powers of the plan administration which are not assumed from time to time by any other appropriate entity, individual or institution. The Plan Administrator may adopt rules and regulations of uniform applicability in its interpretation and implementation of the Plan.

The Plan Administrator shall discharge its duties and responsibilities and exercise its powers and authority in its sole discretion and in accordance with the terms of the controlling legal documents and applicable law, and its actions and decisions that are not arbitrary and capricious shall be binding on any employee, and employee’s spouse or other dependent or beneficiary and any other interested parties whether or not in being or under a disability.
13. **Indemnification.** To the extent permitted by law, all employees, officers, directors, agents and representatives of the Company shall be indemnified by the Company and held harmless against any claims and the expenses of defending against such claims, resulting from any action or conduct relating to the administration of the Plan, whether as a member of the Committee or otherwise, except to the extent that such claims arise from gross negligence, willful neglect, or willful misconduct.

14. **Plan Not an Employment Contract.** The Plan is not a contract between the Company and any employee, nor is it a condition of employment of any employee. Nothing contained in the Plan gives, or is intended to give, any employee the right to be retained in the service of the Company, or to interfere with the right of the Company to discharge or terminate the employment of any employee at any time and for any reason. No employee shall have the right or claim to benefits beyond those expressly provided in this Plan, if any. All rights and claims are limited as set forth in the Plan.

15. **Severability.** In case any one or more of the provisions of this Plan (or part thereof) shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions hereof, and this Plan shall be construed as if such invalid, illegal or unenforceable provisions (or part thereof) never had been contained herein.

16. **Non-Assignability.** No right or interest of any covered employee in the Plan shall be assignable or transferable in whole or in part either directly or by operation of law or otherwise, including, but not limited to, execution, levy, garnishment, attachment, pledge or bankruptcy.

17. **Integration With Other Pay or Benefits Requirements.** The severance benefits provided for in the Plan are the maximum benefits that the Company will pay to covered employees on a termination of employment following a Change in Control, except to the extent otherwise specifically provided in a separate agreement. To the extent that the Company owes any amounts in the nature of severance benefits under any other program, policy or plan of the Company that is not otherwise superseded by this Plan, or to the extent that any federal, state or local law, including, without limitation, so-called “plant closing” laws, requires the Company to give advance notice or make a payment of any kind to an employee because of that employee’s involuntary termination due to a layoff, reduction in force, plant or facility closing, sale of business, or similar event, the benefits provided under this Plan or the other arrangement shall either be reduced or eliminated to avoid any duplication of payment. The Company intends for the benefits provided under this Plan to partially or fully satisfy any and all statutory obligations that may arise out of an employee’s involuntary termination for the foregoing reasons and the Company shall so construe and implement the terms of the Plan.

18. **Amendment or Termination.** The Board may amend, modify, or terminate the Plan at any time on six months advance notice. Such amendment, modification, or termination shall be effected by a written instrument executed by an authorized officer of the Company. Notwithstanding the foregoing, (i) in no event shall any amendment, modification or termination of the Plan on or following a Change in Control be effective until the end of the Protected Period without the written consent of all of the eligible participants in the Plan and (ii) in no event shall any amendment, modification or termination of the Plan on or following a Change in Control affect any participant then receiving benefits under the Plan without the written consent of such participant.
19. ** Governing Law.** The Plan and the rights of all persons under the Plan shall be construed in accordance with and under applicable provisions of ERISA, and the regulations thereunder, and the laws of the Commonwealth of Massachusetts (without regard to conflict of laws provisions) to the extent not preempted by federal law.
CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (the “Agreement”), effective as of May 2nd, 2017 (the “Effective Date”) is entered into by Constellation Pharmaceuticals, Inc., a Delaware corporation with its principal place of business at 215 First Street, Suite 200, Cambridge, MA 02142 (the “Company”), and Oncology Drug Development, LLC., a Pennsylvania company (the “Consultant”) with principal place of business at 411A Highland Ave, Suite 307, Somerville, MA 02144 (the “Consultant”).

INTRODUCTION

The Consultant is an expert generally in the field of clinical development of oncology drugs (hereinafter called the “Field”) and the Company wishes to engage the Consultant on an exclusive basis during the Consultation Period (defined below) for the purpose of Consultant giving such advice and assistance as he may be able to give in the Field. In consideration of the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties agree as follows:

1. Services. The Consultant agrees to be a contact for the Company to discuss, counsel, provide analysis and point of view on topics related to the Field (the “Services”). During the Consultation Period (as defined below), the Consultant shall not engage in any activity that has a conflict of interest with the Company in the Field, including any competitive employment, business, or other activity. Time is of the essence for this Agreement.

2. Consultation Period. This Agreement shall continue for a period of one (1) year from the Effective Date (the “Consultation Period”), unless sooner terminated in accordance with the provisions of Section 4 or extended by mutual written agreement of the parties.

3. Compensation.

3.1 Consulting Fees. In consideration and subject to performance of the Services, the Company shall pay to the Consultant consulting fees as follows: (i) if the total number of hours per calendar month is smaller than 40, five hundred and fifty Dollars ($550.00) per hour or (ii) if the total number of hours per calendar month is greater than 40, four hundred and eighty Dollars ($480.00) per hour. Payment for any partial hours shall be prorated.

3.2 Reimbursement of Expenses. The Company shall reimburse the Consultant for all reasonable and necessary expenses incurred or paid by the Consultant in connection with the performance of the Services under this Agreement. The Consultant shall submit to the Company itemized monthly statements and reasonable supporting documentation, in a form satisfactory to the Company, of such expenses incurred in the previous month. The Company shall pay to the Consultant all undisputed amounts shown on each such statement as set forth in Section 3.3 below. Notwithstanding the foregoing, the Consultant shall not incur total expenses in excess of Two Hundred Fifty ($250) U.S. Dollars per month without the prior written approval of the Company.
3.3 **Invoices.** Consultant shall issue an invoice to Company once monthly in arrears for its fees for Services rendered in the immediately preceding month, calculated as provided in Section 3.1 above, together with a detailed breakdown of any expenses (and the accompanying back up documentation) for such month incurred in accordance with Section 3.2. The fees set forth on the invoice shall be inclusive of any applicable sales, use, valued added, and similar taxes related to the provision of the Services. Each invoice shall contain a detailed description of the Services rendered and the time spent thereon. Company shall pay all properly invoiced and undisputed amounts due to Consultant within 30 days after Company’s receipt of such invoice. All payments hereunder shall be in US dollars and made by check or wire transfer to Consultant pursuant to the payment instructions set forth on Consultant’s invoice.

4. **Termination.** (a) The Company or the Consultant may terminate this Agreement at any time for any reason with ten (10) days written notice. (b) The terms and obligations set forth in this Section 4(b), and Sections 7 through 17 shall survive any termination of this Agreement or expiration of the Consultation Period.

5. **Cooperation.** The Company shall provide such access to its information and property as may be reasonably required in order to permit the Consultant to perform his obligations hereunder. The Consultant shall cooperate with the Company’s personnel, shall not interfere with the conduct of the Company’s business and shall observe all rules, regulations and security requirements of the Company concerning the safety of persons and property.

6. **Section intentionally omitted**

7. **Inventions and Proprietary Information.**

7.1 **Inventions.** The results of any work performed by Consultant as part of the Services provided under this Agreement and all intellectual property rights therein, whether made solely by Consultant or jointly with others (“Inventions”) shall be the sole property of the Company and the Consultant (i) shall promptly report to the Company in full all Inventions, and (ii) agrees to assign, and hereby does assign, all Inventions and all Proprietary Information (as defined below), and all intellectual property rights therein, to Company and cooperate with Company in executing such assignments or other documents needed to protect Company’s intellectual property rights in Inventions.

7.2 **Proprietary Information.**

   (a) The Consultant acknowledges that his relationship with the Company is one of high trust and confidence and that in the course of his Services to the Company he will have access to and contact with Proprietary Information. The Consultant agrees that he will not, during the Consultation Period or at any time thereafter, disclose to others, or use for his benefit or the benefit of others, any Proprietary Information or Invention. Proprietary Information is and will be the exclusive property of the Company and shall be used by Consultant solely in the performance of his duties under this Agreement.

   (b) “Proprietary Information” means any non-public scientific, technical, financial or business information (whether or not labeled as confidential and whether or not patentable or copyrightable) owned, possessed or used by the Company that is communicated to, learned of, developed or otherwise acquired by the Consultant in the course of performance of the Services, including, but not limited to Inventions.
(c) Upon termination of this Agreement or at any other time upon request by the Company, the Consultant shall promptly deliver to the Company all tangible materials containing any Proprietary Information in Consultant’s possession.

(d) The Consultant represents that his retention as a consultant with the Company and his performance under this Agreement does not, and shall not, breach any agreement that obligates him to keep in confidence any trade secrets or confidential or proprietary information of his or of any other party or to refrain from competing, directly or indirectly, with the business of any other party. The Consultant shall not disclose to the Company any trade secrets or confidential or proprietary information of any other party.

7.3 Remedies. The Consultant acknowledges that any breach of the provisions of this Section 7 shall result in serious and irreparable injury to the Company for which the Company cannot be adequately compensated by monetary damages alone. The Consultant agrees, therefore, that, in addition to any other remedy it may have, the Company shall be entitled to enforce the specific performance of this Agreement by the Consultant and to seek both temporary and permanent injunctive relief (to the extent permitted by law) without the necessity of proving actual damages.

8. Warranty. Consultant represents and warrants that the Services shall be performed in a professional, expeditious and workmanlike manner in accordance with the highest applicable standards for similar services and in compliance with all applicable laws, rules, regulations and professional standards. Consultant further represents and warrants that (a) Consultant has the full right, power and authority to enter into this Agreement, to grant the rights and licenses granted hereunder and to perform all Consultant’s obligations hereunder and (b) Consultant has not been debarred pursuant to subsections 306(a) or 306(b) of the U.S. Food, Drug and Cosmetic Act (21 U.S.C. 335(a) and (b)) or otherwise disqualified or restricted by the U.S. Food and Drug Administration or other agency or subdivision of the U.S. Government in any way. Consultant agrees to promptly disclose to Company any such debarment, disqualification or restriction during the Consultation Period.

9. Independent Contractor Status. The Consultant shall perform all services under this Agreement as an “independent contractor” and not as an employee or agent of the Company. The Consultant shall not be entitled to any Company benefits, coverages or privileges made available to employees of the Company, including, but not limited to, unemployment benefits, medical or pension payments. The Consultant is not authorized to assume or create any obligation or responsibility, express or implied, on behalf of, or in the name of, the Company or to bind the Company in any manner.

10. Publicity. During the term of this Agreement the Consultant may be listed on the Company’s website, corporate documents, and other public forums, press releases, Company brochures, offering documents, presentations, reports or other documents in printed or electronic form, and any documents filed with the Securities and Exchange Commission, as a consultant to the Company.
11. **Notices.** All notices required or permitted under this Agreement shall be in writing and shall be deemed effective upon personal delivery with receipt acknowledged, by registered or certified mail, postage prepaid, return receipt requested or prepaid internationally recognized courier air delivery service (e.g., Federal Express) addressed to the other party at the address shown above, or at such other address or addresses as either party shall designate to the other in accordance with this Section 11.

12. **Pronouns.** Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns and pronouns shall include the plural, and vice versa.

13. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter of this Agreement between the parties.

14. **Amendment.** This Agreement may be amended or modified only by a written instrument executed by both the Company and the Consultant.

15. **Governing Law.** This Agreement shall be construed, interpreted and enforced in accordance with the laws of Massachusetts, U.S.A. without regard to any choice of law principle that would dictate the law of another jurisdiction.

16. **Successors and Assigns.** This Agreement shall be binding upon, and inure to the benefit of, both parties and their respective successors and assigns, including any corporation with which, or into which, the Company may be merged or which may succeed to its assets or business, provided, however, that the rights and obligations of the Consultant are personal and may not be assigned or transferred by Consultant. Any assignment by Consultant without the Company’s prior written consent shall be void.

17. **Miscellaneous**

17.1 No delay or omission by the Company in exercising any right under this Agreement shall operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion shall be effective only in a writing signed by an officer of the Company and solely limited to that instance and shall not be construed as a bar or waiver of any right on any other occasion.

17.2 The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

17.3 In the event that any provision of this Agreement shall be invalid, illegal or otherwise unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby and the provision which is invalid, illegal, or otherwise unenforceable will be appropriately limited and reformed to the maximum extent permitted by applicable law.
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year set forth above.

CONSTELLATION PHARMACEUTICALS, INC.

By: /s/ Matthias Jaffe
Name: Matthias Jaffe
Title: CFO
Date: May 3, 2017

CONSULTANT

/s/ Adrian Senderowicz
Oncology Drug Development, LLC
Adrian Senderowicz, MD
President
Date: May 2, 2017
CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (together with Schedule A and Schedule B, the “Agreement”), effective as of July 15, 2017 (the “Effective Date”) is entered into by Constellation Pharmaceuticals, Inc., a Delaware corporation with its principal place of business at 215 First Street, Suite 200, Cambridge, MA 02142 (the “Company”), and Dr. James Audia residing at 3425 N. Bell Ave., Chicago, IL 60618 (the “Consultant”).

INTRODUCTION

The Consultant is employed by The Chicago Biomedical Consortium (hereinafter called “Institution”) is an expert generally in the field of epigenetics and drug development (hereinafter called the “Field”) and the Company wishes to engage the Consultant on an exclusive basis during the Consultation Period (defined below) for the purpose of Consultant giving such advice and assistance as he may be able to give in the Field. In consideration of the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties agree as follows:

1. Services. The Consultant agrees to be a contact for the Company to discuss, counsel, provide analysis and point of view on topics related to the Field (the “Services”). During the Consultation Period (as defined below), the Consultant shall not engage in any activity that has a conflict of interest with the Company in the Field, including any competitive employment, business, or other activity. Time is of the essence for this Agreement.

2. Consultation Period. This Agreement shall continue for a period of four (4) years from the Effective Date (the “Consultation Period”), unless sooner terminated in accordance with the provisions of Section 4 or extended by mutual written agreement of the parties.

3. Compensation.

3.1 Consulting Fees. In consideration and subject to performance of the Services, the Company shall pay to the Consultant a fixed monthly retainer of $7,500 to cover the provision of no less than 20 hours monthly.

3.2 Reimbursement of Expenses. The Company shall reimburse the Consultant for all reasonable and necessary expenses incurred or paid by the Consultant in connection with the performance of the Services under this Agreement. The Consultant shall submit to the Company itemized monthly statements and reasonable supporting documentation, in a form satisfactory to the Company, of such expenses incurred in the previous month. The Company shall pay to the Consultant all undisputed amounts shown on each such statement as set forth in Section 3.3 below. Notwithstanding the foregoing, the Consultant shall not incur total expenses in excess of Two Hundred Fifty ($250) U.S. Dollars per month without the prior written approval of the Company.

3.3 Invoices. Consultant shall issue an invoice to Company once monthly in arrears for its fees for Services rendered in the immediately preceding month, calculated as provided in Section 3.1 above, together with a detailed breakdown of any expenses (and the accompanying back up documentation) for such month incurred in accordance with Section 3.2. The fees set
forth on the invoice shall be inclusive of any applicable sales, use, valued added, and similar taxes related to the provision of the Services. Each invoice shall contain a detailed description of the Services rendered and the time spent thereon. Company shall pay all properly invoiced and undisputed amounts due to Consultant within 60 days after Company’s receipt of such invoice. All payments hereunder shall be in US dollars and made by check or wire transfer to Consultant pursuant to the payment instructions set forth on Consultant’s invoice.

4. Termination. (a) The Company may terminate this Agreement at any time for any reason with ten (10) days written notice. (b) The terms and obligations set forth in this Section 4(b), and Sections 7 through 17 shall survive any termination of this Agreement or expiration of the Consultation Period.

5. Cooperation. The Company shall provide such access to its information and property as may be reasonably required in order to permit the Consultant to perform his obligations hereunder. The Consultant shall cooperate with the Company’s personnel, shall not interfere with the conduct of the Company’s business and shall observe all rules, regulations and security requirements of the Company concerning the safety of persons and property.

6. Compliance with Institution Policies. Consultant will arrange to provide the Services in such manner and at such times so that they will not conflict with Consultant’s responsibilities under any other agreement, arrangement or understanding or pursuant to any employment relationship Consultant has at any time with any third party (including, without limitation, Institution). Company recognizes that Consultant is an employee of Institution. Consultant is responsible for ensuring that any consulting agreement he enters into with industry is not in conflict with the patent, consulting or other policies of Institution and Consultant represents that this Agreement is not in conflict with the patent, consulting or other policies of Institution. If Consultant is required by Institution to disclose to it any proposed agreements with industry, Consultant represents that he has made that disclosure. If Institution’s prior approval of this Agreement is required by Institution policies, Consultant represents that he has obtained that approval. This Agreement is made subject to the understanding that Consultant, being affiliated with Institution, may be required to fulfill certain obligations, including directing laboratory operations, conducting research, and publishing work. It is further understood that Consultant may have signed an agreement concerning inventions with Institution, under which Consultant may be obligated to assign to Institution certain inventions which arise out of or otherwise relate to Consultant’s work at or for Institution or from Consultant’s use of certain of its facilities or intellectual property. In performing the Services, Consultant agrees not to utilize Institution facilities or intellectual property if the result of that use is that any Invention (defined below) will not be assignable solely to Company.

7. Inventions and Proprietary Information.

7.1 Inventions. The results of any work performed by Consultant as part of the Services provided under this Agreement and all intellectual property rights therein, whether made solely by Consultant or jointly with others (“Inventions”) shall be the sole property of the Company and the Consultant (i) shall promptly report to the Company in full all Inventions, and (ii) agrees to assign, and hereby does assign, all Inventions and all Proprietary Information (as defined below), and all intellectual property rights therein, to Company and cooperate with Company in executing such
assignments or other documents needed to protect Company’s intellectual property rights in Inventions. The Company acknowledges that the results of work undertaken by the Consultant in the course of his duties as an employee of the Institution shall not be included in the definition of Invention, provided such work is performed independent of this Agreement and without use of or reliance on Proprietary Information.

7.2 Proprietary Information.

(a) The Consultant acknowledges that his relationship with the Company is one of high trust and confidence and that in the course of his Services to the Company he will have access to and contact with Proprietary Information. The Consultant agrees that he will not, during the Consultation Period or at any time thereafter, disclose to others, or use for his benefit or the benefit of others, any Proprietary Information or Invention. Proprietary Information is and will be the exclusive property of the Company and shall be used by Consultant solely in the performance of his duties under this Agreement.

(b) “Proprietary Information” means any non-public scientific, technical, financial or business information (whether or not labeled as confidential and whether or not patentable or copyrightable) owned, possessed or used by the Company that is communicated to, learned of, developed or otherwise acquired by the Consultant in the course of performance of the Services, including, but not limited to Inventions.

(c) Upon termination of this Agreement or at any other time upon request by the Company, the Consultant shall promptly deliver to the Company all tangible materials containing any Proprietary Information in Consultant’s possession.

(d) The Consultant represents that his retention as a consultant with the Company and his performance under this Agreement does not, and shall not, breach any agreement that obligates him to keep in confidence any trade secrets or confidential or proprietary information of his or of any other party or to refrain from competing, directly or indirectly, with the business of any other party. The Consultant shall not disclose to the Company any trade secrets or confidential or proprietary information of any other party.

7.3 Remedies. The Consultant acknowledges that any breach of the provisions of this Section 7 shall result in serious and irreparable injury to the Company for which the Company cannot be adequately compensated by monetary damages alone. The Consultant agrees, therefore, that, in addition to any other remedy it may have, the Company shall be entitled to enforce the specific performance of this Agreement by the Consultant and to seek both temporary and permanent injunctive relief (to the extent permitted by law) without the necessity of proving actual damages.

8. Warranty. Consultant represents and warrants that the Services shall be performed in a professional, expeditious and workmanlike manner in accordance with the highest applicable standards for similar services and in compliance with all applicable laws, rules, regulations and professional standards. Consultant further represents and warrants that (a) Consultant has the full right, power and authority to enter into this Agreement, to grant the rights and licenses granted hereunder and to perform all Consultant’s obligations hereunder and (b) Consultant has not been
debarred pursuant to subsections 306(a) or 306(b) of the U.S. Food, Drug and Cosmetic Act (21 U.S.C. 335(a) and (b)) or otherwise disqualified or restricted by the U.S. Food and Drug Administration or other agency or subdivision of the U.S. Government in any way. Consultant agrees to promptly disclose to Company any such debarment, disqualification or restriction during the Consultation Period.

9. **Independent Contractor Status.** The Consultant shall perform all services under this Agreement as an “independent contractor” and not as an employee or agent of the Company. The Consultant shall not be entitled to any Company benefits, coverages or privileges made available to employees of the Company, including, but not limited to, unemployment benefits, medical or pension payments. The Consultant is not authorized to assume or create any obligation or responsibility, express or implied, on behalf of, or in the name of, the Company or to bind the Company in any manner.

10. **Publicity.** During the term of this Agreement the Consultant and his affiliation with the Institution may be listed on the Company’s website, corporate documents, and other public forums, press releases, Company brochures, offering documents, presentations, reports or other documents in printed or electronic form, and any documents filed with the Securities and Exchange Commission, as a consultant to the Company. Consultant represents and warrants that he is authorized to provide the authorization to use the name of Institution.

11. **Notices.** All notices required or permitted under this Agreement shall be in writing and shall be deemed effective upon personal delivery with receipt acknowledged, by registered or certified mail, postage prepaid, return receipt requested or prepaid internationally recognized courier air delivery service (e.g., Federal Express) addressed to the other party at the address shown above, or at such other address or addresses as either party shall designate to the other in accordance with this Section 11.

12. **Pronouns.** Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns and pronouns shall include the plural, and vice versa.

13. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter of this Agreement between the parties.

14. **Amendment.** This Agreement may be amended or modified only by a written instrument executed by both the Company and the Consultant.

15. **Governing Law.** This Agreement shall be construed, interpreted and enforced in accordance with the laws of Massachusetts, U.S.A. without regard to any choice of law principle that would dictate the law of another jurisdiction.

16. **Successors and Assigns.** This Agreement shall be binding upon, and inure to the benefit of, both parties and their respective successors and assigns, including any corporation with which, or into which, the Company may be merged or which may succeed to its assets or business, provided, however, that the rights and obligations of the Consultant are personal and may not be assigned or transferred by Consultant. Any assignment by Consultant without the Company’s prior written consent shall be void.
17. **Miscellaneous**

17.1 No delay or omission by the Company in exercising any right under this Agreement shall operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion shall be effective only in a writing signed by an officer of the Company and solely limited to that instance and shall not be construed as a bar or waiver of any right on any other occasion.

17.2 The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

17.3 In the event that any provision of this Agreement shall be invalid, illegal or otherwise unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby and the provision which is invalid, illegal, or otherwise unenforceable will be appropriately limited and reformed to the maximum extent permitted by applicable law.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year set forth above.

**CONSTELLATION PHARMACEUTICALS, INC.**

By: /s/ Jigar Raythatha  
Name: Jigar Raythatha  
Title: CEO  
Date: ____________________________

**CONSULTANT**

/s/ James Audia  
James Audia, Ph.D.  
Date: July 1, 2017
INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of [               ], 20[        ] by and between Constellation Pharmaceuticals, Inc., a Delaware corporation (the "Company"), and [                ] ("Indemnitee") and shall be effective as of the effectiveness of a Registration Statement on Form S-1 relating to the initial registration under the Securities Act of 1933, as amended, of shares of the Company’s common stock].

RECITALS

WHEREAS, highly competent persons have become more reluctant to serve publicly-held corporations as directors or officers or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board of Directors of the Company (the “Board”) has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The Certificate of Incorporation of the Company (as the same may be amended from time to time, the “Certificate of Incorporation”) requires indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the “DGCL”). The Certificate of Incorporation and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the Board, officers and other persons with respect to indemnification;

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company and its stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Certificate of Incorporation and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and
WHEREAS, Indemnitee is a representative of [•] and its affiliated investment funds (the “Fund”), and has certain rights to indemnification and/or insurance provided by the Fund which Indemnitee and the Fund intend to be secondary to the primary obligation of the Company to indemnify Indemnitee as provided herein, with the Company’s acknowledgement and agreement to the foregoing being a material condition to Indemnitee’s willingness to serve on the Board;

WHEREAS, Indemnitee does not regard the protection available under the Certificate of Incorporation and insurance as adequate in the present circumstances, and may not be willing to serve as an officer or director without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he be so indemnified.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to serve as [a][an] [officer][director] of the Company. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee. Indemnitee specifically acknowledges that Indemnitee’s employment with the Company (or any of its subsidiaries or any Enterprise), if any, is at will, and the Indemnitee may be discharged at any time for any reason, with or without cause, except as may be otherwise provided in any written employment contract between Indemnitee and the Company (or any of its subsidiaries or any Enterprise), other applicable formal severance policies duly adopted by the Board, or, with respect to service as a director or officer of the Company, by the Certificate of Incorporation, the Company’s Bylaws, and the DGCL. The foregoing notwithstanding, this Agreement shall continue in force after Indemnitee has ceased to serve as [a][an] [officer][director] of the Company, as provided in Section 16 hereof.

Section 2. Definitions. As used in this Agreement:

(a) References to “agent” shall mean any person who is or was a director, officer, or employee of the Company or a subsidiary of the Company or other person authorized by the Company to act for the Company, to include such person serving in such capacity as a director, officer, employee, fiduciary or other official of another corporation, partnership, limited liability company, joint venture, trust or other enterprise at the request of, for the convenience of, or to represent the interests of the Company or a subsidiary of the Company.

(b) A “Change in Control” shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:
i. Acquisition of Stock by Third Party. Any Person (as defined below) is or becomes the Beneficial Owner (as defined below),
directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company’s then outstanding
securities unless the change in relative Beneficial Ownership of the Company’s securities by any Person results solely from a reduction in the aggregate
number of outstanding shares of securities entitled to vote generally in the election of directors;

ii. Change in Board of Directors. During any period of two (2) consecutive years (not including any period prior to the execution of
this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who
has entered into an agreement with the Company to effect a transaction described in Sections 2(b)(i), 2(b)(iii) or 2(b)(iv)) whose election by the Board or
nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were
directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a
majority of the members of the Board;

iii. Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a
merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing
to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its ultimate parent, as applicable) more
than fifty-one percent (51%) of the combined voting power of the voting securities of the surviving entity or its ultimate parent, as applicable, outstanding
immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such
surviving entity or its ultimate parent, as applicable;

iv. Liquidation or Sale of Assets. The approval by the stockholders of the Company of a complete liquidation of the Company or
an agreement for the sale or disposition by the Company of all or substantially all of the Company’s assets; and

v. Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of
Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act (as defined
below), whether or not the Company is then subject to such reporting requirement.

For purposes of this Section 2(b), the following terms shall have the following meanings:

(A) “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended from time to time.

(B) “Person” shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that Person
shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and
(iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their
ownership of stock of the Company.

(C) “Beneficial Owner” shall have the meaning given to such term in Rule 13d-3 under the Exchange Act; provided, however, that
Beneficial Owner shall exclude any Person otherwise becoming a Beneficial Owner by reason of the stockholders of the Company
approving a merger of the Company with another entity.
(c) “Corporate Status” describes the status of a person who is or was a director, officer, employee or agent of the Company or of any other corporation, limited liability company, partnership or joint venture, trust or other enterprise which such person is or was serving at the request of the Company.

(d) “Disinterested Director” shall mean a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(e) “Enterprise” shall mean the Company and any other corporation, limited liability company, partnership, joint venture, trust or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, employee, agent or fiduciary.

(f) “Expenses” shall include all reasonable attorneys’ fees, retainers, court costs, transcript costs, fees of experts and other professionals, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, ERISA excise taxes and penalties, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also shall include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent, and (ii) for purposes of Section 14(d) only, Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee’s rights under this Agreement, by litigation or otherwise. The parties agree that for the purposes of any advancement of Expenses for which Indemnitee has made written demand to the Company in accordance with this Agreement, all Expenses included in such demand that are certified by affidavit of Indemnitee’s counsel as being reasonable shall be presumed conclusively to be reasonable. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(g) “Independent Counsel” shall mean a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.
(h) The term “Proceeding” shall include any threatened, pending or completed action, suit, claim, counterclaim, cross claim, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, legislative, or investigative (formal or informal) nature, including any appeal therefrom, in which Indemnitee was, is or will be involved as a party, potential party, non-party witness or otherwise by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any action taken by him (or a failure to take action by him) or of any action (or failure to act) on his part while acting pursuant to his Corporate Status, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification, reimbursement, or advancement of Expenses can be provided under this Agreement. If the Indemnitee believes in good faith that a given situation may lead to or culminate in the institution of a Proceeding, this shall be considered a Proceeding under this paragraph.

(i) Reference to “other enterprise” shall include employee benefit plans; references to “fines” shall include any excise tax assessed with respect to any employee benefit plan; references to “serving at the request of the Company” shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in manner “not opposed to the best interests of the Company” as referred to in this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, judgments, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines and amounts paid in settlement) actually and reasonably incurred by Indemnitee or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding had no reasonable cause to believe that his conduct was unlawful. The parties hereto intend that this Agreement shall provide to the fullest extent permitted by law for indemnification in excess of that expressly permitted by statute, including, without limitation, any indemnification provided by the Certificate of Incorporation, the Bylaws, vote of its stockholders or disinterested directors or applicable law.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by him or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be
made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the
Company, unless and only to the extent that the Chancery Court of the State of Delaware (the “Delaware Court”) or any court in which the Proceeding was
brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and
reasonably entitled to indemnification for such Expenses as the Delaware Court or other court shall deem proper.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement, to the
fullest extent permitted by applicable law and to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in
any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses actually
and reasonably incurred by him in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or
otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses
actually and reasonably incurred by him or on his behalf in connection with or related to each successfully resolved claim, issue or matter to the fullest extent
permitted by law. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or
without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Indemnification For Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the fullest extent permitted by
applicable law and to the extent that Indemnitee is, by reason of his Corporate Status, a witness or otherwise asked to participate in any Proceeding to which
Indemnitee is not a party, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

Section 7. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a
portion of Expenses, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which
Indemnitee is entitled.

Section 8. Additional Indemnification.
(a) Notwithstanding any limitation in Sections 3, 4, or 5, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable
law if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a
judgment in its favor) against all Expenses, judgments, fines and amounts paid in settlement (including all interest, assessments and other charges paid or
payable in connection with or in respect of such Expenses, judgments, fines and amounts paid in settlement) actually and reasonably incurred by Indemnitee
in connection with the Proceeding.

(b) For purposes of Section 8(a), the meaning of the phrase “to the fullest extent permitted by applicable law” shall include, but not be limited to:

i. to the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by
agreement, or the corresponding provision of any amendment to or replacement of the DGCL,
Section 9. Exclusions. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnification payment in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; or

(b) for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act (as defined in Section 2(b) hereof) or similar provisions of state statutory law or common law, or (ii) any reimbursement of the Company by the Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by the Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act); or

(c) except as provided in Section 14(d) of this Agreement, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

Section 10. Advances of Expenses. Notwithstanding any provision of this Agreement to the contrary (other than Section 14(d)), the Company shall advance, to the extent not prohibited by law, the Expenses incurred by Indemnitee in connection with any Proceeding (or any part of any Proceeding) not initiated by Indemnitee, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee’s ability to repay the Expenses and without regard to Indemnitee’s ultimate entitlement to indemnification under the other provisions of this Agreement. In accordance with Section 14(d), advances shall include any and all reasonable Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. The Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement, which shall constitute an undertaking providing that the Indemnitee undertakes to repay the amounts advanced (without interest) to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company. No other form of undertaking shall be required other than the execution of this Agreement. This Section 10 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 9.

(a) Indemnitee shall notify the Company in writing of any matter with respect to which Indemnitee intends to seek indemnification or advancement of Expenses hereunder as soon as reasonably practicable following the receipt by Indemnitee of written notice thereof. The written notification to the Company shall include a description of the nature of the Proceeding and the facts underlying the Proceeding. To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of such Proceeding. The omission by Indemnitee to notify the Company hereunder will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay in so notifying the Company shall not constitute a waiver by Indemnitee of any rights under this Agreement. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

(b) The Company will be entitled to participate in the Proceeding at its own expense.

Section 12. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 11(a), a determination, if required by applicable law, with respect to Indemnitee’s entitlement thereto shall be made in the specific case: (i) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (ii) if a Change in Control shall not have occurred, (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee or (D) if so directed by the Board, by the stockholders of the Company; and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee’s entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or Expenses (including attorneys’ fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee’s entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom. The Company promptly will advise Indemnitee in writing with respect to any determination that Indemnitee is or is not entitled to indemnification, including a description of any reason or basis for which indemnification has been denied.
In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) hereof, the Independent Counsel shall be selected as provided in this Section 12(b). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising him of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of “Independent Counsel” as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after the later of submission by Indemnitee of a written request for indemnification pursuant to Section 11(a) hereof and the final disposition of the Proceeding, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Delaware Court for resolution of any objection which shall have been made by the Company or Indemnitee to the other’s selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by such court or by such other person as such court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 12(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 14(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).


(a) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 11(a) of this Agreement, and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) Subject to Section 14(e), if the person, persons or entity empowered or selected under Section 12 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification
shall, to the fullest extent not prohibited by law, be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a
misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee’s statement not materially misleading, in
connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 60-day
period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with
respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information
relating thereto; and provided, further, that the foregoing provisions of this Section 13(b) shall not apply (i) if the determination of entitlement to
indemnification is to be made by the stockholders pursuant to Section 12(a) of this Agreement and if (A) within fifteen (15) days after receipt by the
Company of the request for such determination the Board has resolved to submit such determination to the stockholders for their consideration at an annual
meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is
called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days
after having been so called and such determination is made thereat, or (ii) if the determination of entitlement to indemnification is to be made by Independent
Counsel pursuant to Section 12(a) of this Agreement.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of
nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to
indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the
best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

(d) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee’s action is based on the
records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the directors or officers of the
Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the
Enterprise by an independent certified public accountant or by an appraiser or other expert selected with the reasonable care by the Enterprise. The provisions
of this Section 13(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met
the applicable standard of conduct set forth in this Agreement.

(e) The knowledge and/or actions, or failure to act, of any director, officer, trustee, partner, managing member, fiduciary, agent or employee of
the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 14. Remedies of Indemnitee.

(a) Subject to Section 14(e), in the event that (i) a determination is made pursuant to Section 12 of this Agreement that Indemnitee is not entitled
to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 10 of this
Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 12(a) of this Agreement within ninety (90) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 5, 6 or 7 or the last sentence of Section 12(a) of this Agreement within ten (10) days after receipt by the Company of a written request therefor, (v) payment of indemnification pursuant to Section 3, 4 or 8 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, or (vi) in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of his entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at his option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 14(a); provided, however, that the foregoing clause shall not apply in respect of a proceeding brought by Indemnitee to enforce his rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee’s right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 14 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 14 the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(c) If a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 14, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee’s statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall, to the fullest extent not prohibited by law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 14 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. It is the intent of the Company that, to the fullest extent permitted by law, the Indemnitee not be required to incur legal fees or other Expenses associated with the interpretation, enforcement or defense of Indemnitee’s rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. The Company shall, to the fullest extent permitted by law, indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement of Expenses.
of Expenses from the Company under this Agreement or under any directors’ and officers’ liability insurance policies maintained by the Company if, in the case of indemnification, Indemnitee is wholly successful on the underlying claims; if Indemnitee is not wholly successful on the underlying claims, then such indemnification shall be only to the extent Indemnitee is successful on such underlying claims or otherwise as permitted by law, whichever is greater.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement of Indemnitee to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

Section 15. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Certificate of Incorporation and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents of the Enterprise, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee or agent under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such claim or of the commencement of a Proceeding, as the case may be, to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.
The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable (or for which advancement is provided hereunder) hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

The Company’s obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of Expenses from such other corporation, limited liability company, partnership, joint venture, trust or other enterprise.

Section 16. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as [a][an] [officer][director] of the Company or (b) one (1) year after the final termination of any Proceeding then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Section 14 of this Agreement relating thereto. The indemnification and advancement of expenses rights provided by or granted pursuant to this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Company or of any other Enterprise, and shall inure to the benefit of Indemnitee and his or her spouse, assigns, heirs, devisees, executors and administrators and other legal representatives.

Section 17. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 18. Enforcement. (a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes and replaces all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.
Section 19. **Modification and Waiver.** No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

Section 20. **Notice by Indemnitee.** Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to the Indemnitee under this Agreement or otherwise.

Section 21. **Notices.** All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (c) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (d) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide to the Company.

(b) If to the Company, to

Constellation Pharmaceuticals, Inc.
215 First Street, Suite 200
Cambridge, MA 02142
Attn: Chief Financial Officer

or to any other address as may have been furnished to Indemnitee by the Company.

Section 22. **Contribution.** To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company, on the one hand, and Indemnitee, on the other hand, as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its other directors, officers, employees and agents), on the one hand, and Indemnitee, on the other hand, in connection with such event(s) and/or transaction(s).
Section 23. **Applicable Law and Consent to Jurisdiction.** This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 14(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (iv) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 24. **Identical Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 25. **Miscellaneous.** Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate. The headings of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

[Remainder of Page Intentionally Left Blank]

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IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

CONSTELLATION PHARMACEUTICALS, INC.    INDEMNITEE

By: _______________________________    By: _______________________________
Name: _______________________________    Name: _______________________________
Title: _______________________________    Address: _______________________________

Signature Page to Constellation Pharmaceuticals Indemnification Agreement
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 April 27, 2018, in the Registration Statement (Form S-1) and related Prospectus of Constellation Pharmaceuticals, Inc. dated June 22, 2018.

/s/ Ernst & Young LLP

Boston, Massachusetts
June 22, 2018